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BRIEFS

CHINESE LOAN FOR RAILWAY DEVELOPMENT--Gaborone, 13 Dec (SAPA)--The Chinese Government has approved an interest free loan of P10.8 million (about R13.5 million) to the Botswana Government for railway line development of the section between Gaborone and the southern border. Speaking in parliament yesterday, the Botswana vice president and minister of finance and development planning, Mr Peter Mmusi, said the railway track renewal is one of the major developments to be undertaken during the National Development Plan Six, when Botswana takes over the railway line from Zimbabwe early next year. Mr Mmusi, who was presenting the economic and technical cooperation loan ratification bill for the second reading, said a large section of the track was worn out and required relaying as soon as possible. [Text] [Johannesburg SAPA in English 1126 GMT 13 Dec 86 MB] /9274

BDF ENCOURAGED TO DEFEND COUNTRY--The permanent secretary to the president, Mr Festus Mogae, today urged members of the Botswana Defense Force [BDF] to put more effort and never yield in defending Botswana against external aggression. Mr Mogae, who was speaking at a pass out parade for 400 soldiers at Sir Seretse Khama barracks in Mogoditshane, called on members of the armed forces to show determination in their work because the nation has confidence in them. He said although the BDF was a relatively small army, its quality could still be improved. Mr Mogae said they were the servants of the public and not the nation's masters. He further reminded them that, by enlisting in the defense force, they were going to face challenges and responsibilities which entailed hard work, inconvenience, and danger. Mr Mogae also congratulated the graduates on their decision to join the BDF. He said the government was aware of the acute shortage of accommodation being experienced by members of the force. The problem, he said, was due to shortage of resources as well as delays caused by building contractors. Mr Mogae appealed to the army to bear with the authorities as the government was doing its best to ease the situation. [Text] [Gaborone Domestic Service in English 1610 GMT 15 Dec 86 MB] /9274

CSO: 3400/686

BRIEFS

WAVE OF ARRESTS--President Ahmed Abdallah has had a dozen members of the opposition Union pour une Republique Democratique aux Comores arrested since October 21, the URDC said in a communique sent to THE INDIAN OCEAN NEWSLETTER. This wave of arrests began immediately after the visit to the archipelago of French prime minister Jacques Chirac, when the URDC evidently greatly annoyed the Comorian president by displaying banners with slogans against his regime on the road. Mr Chirac took from Hayaya airport to the presidential residence of Beit-Salaam at Moroni. URDC leader Mouzaair Abdallah was also refused an exit visa to go to Mauritius on October 22. Meanwhile the holding of early legislative elections seems increasingly probable. According to information obtained by THE NEWSLETTER, a date for them could be announced by President Abdallah after parliament votes on the budget. In normal circumstances elections would not be held for another five months. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 25 Oct 86 p 4] /9274

VANILLA SALES TO RESUME--The European Association of Vanilla Importers will shortly lift its suspension of the convention concluded with the Comoros on the marketing of 150 tonnes of Comorian vanilla. The sale above quota of 20 tonnes of vanilla by the Kalfane company, which was responsible for the suspension of the agreement, is no longer considered important, at least at an economic level. The vanilla importers have obtained an agreement that export licences delivered by the government should also be approved by the stabilisation fund as a supplementary check. THE INDIAN OCEAN NEWSLETTER has learned in addition that the Comoros authorities kept the government of Madagascar regularly up to date with developments. Madagascar, the leading world producer of vanilla, is a signatory with the Comoros and Reunion of the agreement fixing the price of vanilla at 70 dollars a kilo. However the political battle between the Comorian president Ahmed Abdallah and his rival in the vanilla export business, Amine Kalfane, who is supported by the opposition, is not yet over. It seems, though, that in this incident, at least, neither has emerged the winner. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 25 Oct 86 p 7] /9274

AMNESTY INTERNATIONAL REPORT--Among 76 people jailed for alleged opposition to the government, Amnesty International has adopted more than 40 as prisoners of conscience, being all the civilians jailed after the trial of November 1985 of soldiers and civilians accused of involvement in the purported coup attempt of March 8. The organisation expressed concern at tortures inflicted on

certain prisoners held in preventive detention, one of whom, said Adamou, a French citizen, is said to have died under interrogation. Amnesty also noted that during the two trials staged between November 4 and 8, 1985, by Moroni courts, the prosecution provided no proof of the participation of civilians in the events of March. There was also no evidence that the soldiers on trial intended to overthrow the government, although several of them admitted taking part in a mutiny. [Text] [Paris THE INDIAN OCEAN NEWS-LETTER in English 25 Oct 86 p 8] /9274

CSO: 3400/652

KENYA

BRIEFS

CURFEW IMPOSED AT VIHIGA--A one-month curfew has been imposed in part of Kakamega district in Luhya territory because of the activities of "terrorists" of the Angola-Musumbiji group, the Kenyan News Agency reported on December 6. This group, whose aims are obscure, is said to have been active for some time in several regions of western Kenya. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 13 Dec 86 p 6] /9317

CSO: 3400/676

BRIEFS

FAMINE ACCUSATIONS--Monja Jaona, the opposition leader who was Didier Ratsiraka's rival in the presidential elections of 1982, recently accused the government of depriving the southern part of the country of rice while the region is threatened by famine because of the drought which has afflicted it for the past two years. (A majority of voters from the south voted for Monja Jaona in 1982.) The accusations, which put the number of those affected by food shortages at 185,000, were contained in a letter appealing for outside assistance, notably from the International Red Cross. The letter also accused the government of hiding the existence of a famine in the south from International Organisations. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 25 Oct 86 p 4] /9274

CSO: 3400/652

EIB LENDS FUNDS FOR PORTLAND CEMENT FACELIFT

London AFRICAN ECONOMIC DIGEST in English 29 Nov-5 Dec 86 p 17

[Text]

The European Investment Bank (EIB) has signed loans totalling ECU 4 million (\$4.1 million) with **Malawi Development Corporation (MDC)**. The funds, advanced under the terms of the third Lome Convention, will be on-lent to **Portland Cement Company (Malawi)**, which is wholly owned by MDC.

A ECU 2.5 million (\$2.6 million) commercial loan is to go on rehabilitation and modernisation of the Chungalume clinker plant, near Zomba in the south, and on upgrading the company's Blantyre cement works. Repayment is over 15 years at 5 per cent interest, after deducting the interest subsidy drawn from the European Development Fund (EDF).

EIB has also advanced MDC a conditional loan of ECU 1.5 million (\$1.6 million) to help fund a subscription for income notes. The loan, repayable over a maximum 25 years, carries 2 per cent interest.

The funds will go towards reviving Portland's flagging fortunes through a modernisation programme, which will hopefully encourage investors to take up some of the shares now held by MDC. A six-year management contract has been signed with **Irish Cement Consultancy Services**, which has discussed the project with EIB and Portland. Part of Irish Cement's contract involves taking a nominal stake in Portland, building up to 10 per cent of the equity.

Work, costed at ECU 6.5 million (\$6.7 million), involves installing new quarrying equipment, renovating one kiln and

overhauling another, which will be kept as a standby. With one kiln in full production, capacity should rise to 100,000 tons. Other aspects are improving storage facilities, the coal firing system, instrumentation and handling equipment at Chungalume as well as upgrading cement packing machines, and installing conveyors for loading at Blantyre.

As technical partner, Irish Cement — which already operates the cement works at Chilanga in Zambia and is studying other African projects — is supplying personnel to oversee accounting, administration and training; Portland will tender for supply contracts itself.

The scheme aims to increase annual capacity to 100,000 tons; it is now about 70,000 tons, although production is nearer 60,000. Domestic demand, which is set to increase, is put at 80,000-90,000 tons, with the balance coming from Zambia.

In addition to the EIB loans, funds are expected to come from share subscriptions, MDC's own resources and possibly from external sources in the form of supplier's credits.

EIB part-financed feasibility studies in 1983, and in 1984 funded a geological survey which confirmed that limestone reserves at Chungalume were sufficient to meet the plant's requirements. It also provided a ECU 3.97 million (\$4.1 million) conditional loan earlier this year to back equity participation in the much-delayed integrated saw and panel mill at Chikangawa (AED 26:4:86).

MALAWI

BRIEFS

80,000 MOZAMBIKAN REFUGEES IN COUNTRY--Blantyre--There are now 80 000 Mozambican refugees in Malawi, reports in Blantyre have disclosed. A few weeks ago the Mozambique News Agency, Aim, estimated that at least 200 000 Mozambicans had fled to Malawi to escape from the war between government forces and rebels of the Mozambique National Resistance movement. But the Malawian Red Cross said that it was coordinating all relief work for the Mozambicans who had fled from the war and sought refuge in the Nsanje, Chikwawa, Mulanje, Ntcheu and Dedza districts and that, in these areas, there were an estimated 80 000 refugees. Yesterday, the Save the Children Fund of Malawi donated 3 000 kg of flour to the Malawian Red Cross for distribution to the displaced Mozambicans. [Text] [Johannesburg THE STAR in English 11 Dec 86 p 6] /9317

CSO: 3400/665

MAURITIUS

DISSENSION WITHIN MMM REPORTED

Paris INDIAN OCEAN NEWSLETTER in English 25 Oct 86 p 4

[Text] The main opposition party in Mauritius, the Mouvement Militant Mauricien is suffering from substantial internal dissension which has emerged recently notably during its congress (see ION No 250), in contradictory statements by the party leadership, in particular on the question of the demilitarisation of the Indian Ocean. THE INDIAN OCEAN NEWSLETTER has learned from reliable sources that moves are afoot inside the party, led by one faction, to depose Paul Berenger as prime minister of the shadow cabinet and replace him by Prem Nababsingh, who is a former ambassador to France in 1982 and the current chairman of the MMM politbureau. The plan is backed by all those in the MMM who have believed since the electoral defeat of 1983 that the party should have a Hindu as a potential future prime minister. Paul Berenger would, on the other hand, be put forward as president of a so-far hypothetical republic.

THE NEWSLETTER has also learned that a serious dispute has arisen between Paul Berenger and Jean-Claude de l'Estrac, responsible for foreign affairs in the party. This dispute is also connected, among other things, to the matter of replacing the head of the shadow cabinet. Mr de l'Estrac supports Prem Nababsingh.

Some sources say the pro-Berenger faction is prepared to call on Nuvin Ramgoolam, son of the late former prime minister and governor-general Sir Seewoosagur Ramgoolam, who returned to Mauritius this week after several months in London, if he remains opposed to the present government's alleged policy of communalism.

The Labour Party, whose leadership recently decided to rejoin the government without consulting the rank and file, is also shaken by an internal crisis. Some elements are said to be actively trying to ditch the party leader, Sir Satcam Boolell. Sir Satcam is also still being ignored by Dr Ramgoolam, whose father built up the Labour Party in the 1960s into the country's main political force, and who is seen by some as a man of providence to counter present policies.

/9274

CSO: 3400/652

CHIRAC PLEDGES AID, INVESTMENT TAX RELIEF

Paris THE INDIAN OCEAN NEWSLETTER in English 25 Oct 86 p 5

[Text] Mayotte welcomed for the first time ever a head of government on October 19, but prime minister Jacques Chirac did not bring it the status of a French administrative department which its representatives have so loudly demanded. The local party, the Mouvement du Peuple Mahorais, gave him a cool reception, therefore, particularly as the inhabitants had learned from Radio Comores that Mr Chirac would be going on to Moroni for talks with President Ahmed Abdallah the same day. However, no fewer than 10,000 people turned out to see the French premier, whose party, the Rassemblement pour la Republique, is expanding in Mayotte to the detriment of the MPM. Mr Chirac put economic and social development before any modification of Mayotte's status, and promised that in any case the island would remain French as long as it wished.

Under the "loi-programme" covering France's overseas territories Mayotte will benefit from substantial aid over the next five years. Included in the budget are 130 million francs for a deep water port, 45 million for air links, 20 million for agricultural development and 34 million in 1986 for public housing. Tax relief on investment in overseas territories will also apply to Mayotte.

For their part, Mayotte's elected representatives asked for a FASSO (obligatory fund for social and sanitary action), such as exists on Reunion, which provides for collective rather than individual distribution of certain welfare benefits. An agreement on this will be signed with the government in the next few months.

I.O.N.--Mayotte's representatives, led by Senator Marcel Henri, have not abandoned their initial demands for a change in status and see a sign of hope in the "departmentalisation in principle" conceded by Mr Chirac during talks. However, the present government in Paris does not envisage such a move in the short of medium term.

Whatever happens, though, for the first time Paris is to devote substantial sums to the development of Mayotte, beyond comparison with that given to the Comoros. This can only widen the gap between Mayotte and the other islands in the archipelago and give rise to disparities which French governments previously had tried to avoid.

VISIT TO RENAMO TERRITORY, MEETING WITH DHLAKAMA DESCRIBED

Johannesburg SUNDAY TIMES in English 30 Nov 86 pp 23, 25

[Article by Paul Moorcraft]

[Text]

DESERTED towns, empty roads, cannibalised machines, fighting over precious fuel ... hints of the Mad Max movies, but this was Mozambique.

"Mike Davies" — that's not his real name; he still has family in Zimbabwe, now at war with Renamo — and I wanted to make a film about Renamo and its elusive president, Afonso Dhlakama.

One or two journalists had got into Renamo areas, despite the rebels' cut-throat reputation, but no one had been crazy enough to attempt a long-range penetration with modern — and heavy — professional video equipment. But Mike is a Rambo type, and I tagged along.

We intend to go back, so it would be unwise — and dangerous — to describe exactly how we got in, but it wasn't easy.

Inside Mozambique the journey began with a dugout canoe. Wobbling through fast currents, with hippos grunting alongside, pushing through croc-infested swamps, we fretted over our four heavy packs and the sensitive, expensive camera equipment.

Curious

This was the start of a hard trip through some exquisitely beautiful countryside.

After a short march we met our first Renamo contact ... blue jeans, purple teacosey hat, riding a bicycle and carrying the ubiquitous symbol of Renamo rank, a transistor radio in a gaudy, homemade bag.

He led us past curious sentries carrying that other symbol of guerrilla war, the AK rifle.

Everybody tended to stare, especially in isolated villages where young people were perhaps seeing white men for the first time.

Eventually we walked into a small transit camp. Language was immediately a problem.

We managed to communicate vaguely in a mixture of pigeon Portuguese and basic Shona, although I insisted on amusing myself, and confusing our hosts, by quoting continuously from a very old Portuguese phrase book. Thus: "Would anyone care to partner me in a waltz?"

We were treated politely and fed mealie meal and chicken. For two weeks we had the same food, except when we ate tinned Russian fish, courtesy of Frelimo.

Anxious

Mike and I had been together behind the Russian lines in Afghanistan and so we worried about those terrible Soviet gunships which make local choppers look like dragonflies.

Mike had secretly been into Maputo the week before and had counted the gunships lined up at the airport. The guerrillas appeared to be using a very basic radio code to arrange our transit from one base to the next, so we were anxious about Soviet interception of the signals.

If caught, we would no doubt have been paraded as South African spies. As it happened, our worst problems did come swooping out of the sky — mosquitoes.

After the transit camp we travelled on small motorbikes, again a reluctant gift from Frelimo, 60km to the main base in Zambesia Province.

It was large and well hidden among mountains and in deep forest. About 500 guerrillas lived there, plus thousands of camp followers.

Here we witnessed examples of the stern discipline of the rebels, who have a strict punishment code, especially if the guerrillas intimidate the *povo* (the masses).

Renamo troops sign up for the duration. They are not supposed to marry any of the female warriors who fight

alongside them ... until the war is over.

Morale is high, although the standard of military training is very low and the weapons were usually in a terrible condition.

Remember, these are second-generation guerrillas; Frelimo perhaps absorbed 30 percent of the expertise of their Eastern bloc instructors, and Renamo, many of whose officers are ex-Frelimo, have in turn adopted a percentage of their original training, beefed up occasionally in the past by Rhodesian and South African training.

The general in charge of Zambesia Province is something of an eccentric; his whimsically autocratic ways reminded us of Shaka's court.

Mike, a former medic, cured the general's stomach problems, and he reciprocated with a series of drunken parties where we were obliged to dance and, in my case, to sing a "traditional song", a rather rude rugby ditty in Welsh.

Drunkenness is exceptional, however, partly because of the tight discipline and partly because of the paucity of any commercially produced liquor (or any goods).

After a week in the camp, which was infested with rats, we travelled 200km south to the Zambezi River in a convoy of three small motorbikes. Villagers rushed to greet us everywhere we stopped bringing mealiepap and water.

In this raw, primitive, regressive Africa, Renamo seemed to have no problems with their "hearts and minds" campaign.

We passed abandoned Portuguese stores and farms: here a beautiful cathedral picked clean, and there a devastated town, eerily still, a HNP nightmare realised.

A tractor stood gutted on the dirt road; later a train with carriages strewn over

the overgrown embankment. We saw no wildlife except for four buck, two troops of baboons and many snakes. It was a little like the post-apocalypse film "The Day After".

Crippled

A half-finished bridge stood to attention on each side of the wide Zambezi; millions and millions of rands' worth of heavy plant equipment were frozen and derelict.

A large sub-station for the Cabora Bassa grid lay crippled and helpless; bits of the transformers decorated the locals' huts.

All was not death and destruction, however. The peasants had been given back their land and their chiefs. Elementary schooling had recommenced. The Catholic religion seemed to flourish again.

After crossing the Zambezi on a captured Frelimo inflatable boat, our small party reached Caia in Sofala Province.

Rendezvous

Again an obviously once pretty Portuguese town, now empty except for a Renamo control point and some Frelimo prisoners eking out an existence on the outskirts.

We raced now on tarmac roads, then later turned into the forests of the Gorongosa region to keep our rendezvous with Mocimboa's Scarlet Pimpernel, Afonso Dhlakama.

He is a key man in the future of Southern Africa: he controls the destiny of the Beira Corridor. Without that escape hatch there can be no effective war — economic, political or military — against Pretoria.

Enemy

The first time we saw him he was dressed very simply in a blue shirt and dark slacks, sitting quietly at a simple table in a grass hut. At 33 and

bespectacled he looks like a younger, chubbier version of his arch-enemy, Robert Mugabe. He laughs easily.

This Catholic mission-trained father of two little girls is both relaxed and confident. Highly intelligent, he speaks a very precise Portuguese, although he understands English. Unlike other politicians, he was keen to listen.

He vehemently denied any involvement with Malawi or South Africa, and emphasised Renamo's self-sufficiency: "We have no complex theory; our strategy is simple. It is based upon the support of the people."

For almost two days Mike and I grilled him, especially about the fatal South African connection. Here was a movement born and reborn in original sin from Rhodesian and South African parents.

But he demonstrated a dislike of South Africa which was exacerbated by the signing of Nkomati Accord. "We were told about it just a week before the signing," he said.

Our discussions and examination of captured new equipment suggested, but did not prove, that South Africa had not only switched sides, but was busy militarily supporting Frelimo, not Renamo.

Our long talk touched on many fascinating topics: how the Vaz diary was forged by Frelimo intelligence; the propaganda victory Frelimo had secured when Renamo temporarily withdrew, after a tip-off, from their Gorongosa HQ in 1985, "without the loss of a single man or piece of equipment"; the Renamo distrust of Chester Crocker; and historical details such as new light on the murder of Zanla general Josiah Tongogara, arranged by Machel and Mugabe.

We did demur on some points. I argued that if the infamous Vaz document was a forgery, then the forger had shown brilliant insights into the rifts between Pretoria's civil-military elite.

Dhlakama felt utterly confident about the future. The war, he prophesied, would be won within two years.

"The economy of Mozambique is in pieces and paralysed," he said. "There can be no recovery until the end of the war. A large part of the population is controlled by Renamo. Frelimo is only found in the cities."

When we pointed out that Renamo had very little international support, an atrocious public image, lacked modern weapons and even a propaganda radio station, the president was unperturbed.

Even if black rule came to "Azania" and Malawi went socialist it would not affect the popular support of the people and the fact that Frelimo was crumbling, he maintained.

"I would like to tell those Western countries which give aid to Frelimo that all the aid goes to the armed forces. When they supply food, it doesn't go to the needy people, but to the Frelimo army."

"And aid money is used to buy weapons to maintain themselves in power. The aid doesn't reach those who are dying of hunger; the money goes only to the government and army."

Honest

We bade farewell to this impressive man and promised to return again. His lack of experience with journalists showed — he was too honest.

Because his off-the-record discussions were potentially damaging and naive, we reckoned that perhaps his denials about any entanglements with Pretoria and Banda — as well as the evidence of our own eyes — rang true.

Nevertheless, as we made the arduous return trip, we wondered about the amazingly coincidental congruence of Renamo's and Pretoria's strategies.

MALAWI OFFICERS AIDING MNR IN ZAMBEZIA ATTACKS

MB161327 Maputo in English to Southern Africa 1100 GMT 16 Dec 86

[Text] Members of the Malawian Armed Forces integrated into gangs of the South African-sponsored MNR bandits are taking part in attacks against the central Mozambican Province of Zambezia. In its front page lead article of today, the Mozambican daily paper, NOTICIAS, cites the administrator of the Zambezia District of Namorroi as saying that high-ranking Malawian officers take part in bandit raids. He said that three bandits captured in Upper Zambezia, although they carried no identifying documents, appear not to be Mozambicans. They expressed themselves not in Portuguese or in one of the vernacular languages mostly spoken in central Mozambique, but in English or in Chichewa, a major language in Malawi. Combat rations and other military equipment of Malawian origin have been captured by Mozambican troops in Zambezia.

There are also strong suspicions of direct South African participation in the war in Zambezia. NOTICIAS states that in one clash in Upper Zambezia three white men fighting of the MNR were killed. They carried no documents and are believed to be members of the South African Armed Forces. The administrator of Ile District told the paper that a captured MNR spy confessed of being a group of five men integrated from Malawi with the mission of reconnoitering Mozambican troop positions and important economic targets in the districts, of Ile, Gurue, and Namorroi. The same spy said that bandit gangs entering Zambezia from Malawi go back to transit camps in the border district of Milanje. These camps are named (Nanfuto) and (Marrituro), and in November they received 5,000 bandits who were then sent on raiding missions throughout Upper Zambezia.

The administrator of Nogela District in the center of the province told NOTICIAS that the MNR had destroyed (?80) primary schools and the only secondary school in the district. The school network in Nogela has been reduced to five primary schools.

There are now some 5,000 displaced people in the northern part of Nogela who have fled from the MNR. They are seriously short of food, clothing and medicine. Similar dramas face displaced people in many parts of Zambezia. According to Mozambique's national disasters officer, there are at least 270,000 displaced people in Zambezia. But there is also popular resistance to the MNR and NOTICIAS cites occasions on which local peasants, sometimes armed only with spears and arrows, have attacked bandit camps.

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MOZAMBIQUE

OFFICIAL CITES EVIDENCE OF MALAWI AID TO MNR

MB222137 Maputo Domestic Service in Portuguese 1030 GMT 22 Dec 86

[Statement by (Martins Kmathi), first secretary of the Frelimo Party and governor of Ile District of Zambezia Province; date and place not given--recorded]

[Text] I can prove with concrete evidence that Malawi actively participates in the destabilization of our country. Not so long ago we captured an agent of the armed bandits sent to spy on the headquarters of the Ile and Namarroi Districts and the Socone tea estate. This agent said that he was born in Namarroi and had been in Malawi a long time, where he joined the armed bandits. He was sent on an espionage mission so that they could attack the headquarters of the districts of Ile and Namarroi, and the Socone tea estate. Meanwhile, he brought with him a group of about 5,000 armed bandits from Malawi.

So, as far as I know, Malawi participates in the destabilization of our country, because it receives and sends armed bandits into Mozambique

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MNR LEADER SAYS IMPORTANT VICTORY IMMINENT

MB150650 Johannesburg Domestic Service in English 0500 GMT 15 Dec 86

[Text] The president of the Renamo Movement in Mozambique, Mr Afonso Dhlakama, says Renamo is on the point of scoring an important military victory in Mozambique.

In the first interview he has granted in the past 11 years Mr Dhlakama told a major Portuguese radio station that his movement would talk to Frelimo on condition that all foreign troops were withdrawn from the country. He said that several thousand Ethiopian troops have arrived in Mozambique, and Indian commanders would be expected to bolster the Frelimo government.

Mr Dhlakama denied that Renamo was being supported by South Africa. He said that nothing had changed in Mozambique since the death of President Samora Machel. He added that President Chissano was not the moderate politician that many thought he was.

The Renamo leader said that the ultimate goal of his movement was to hold a general election and set up a multiparty democratic government. He said that after the imminent military victory, Renamo would allow a transitional period, during which the population census would be conducted before the holding of a general election. Cooperation would be possible with the Frelimo government on condition that it guaranteed a cease-fire and accepted the principle of free elections.

He said that Frelimo generals he had spoken to had said they were tired of the war and of fighting against their own people. He added that there were frequent clashes between Frelimo and their Zimbabwean allies. He accused a number of Western countries of helping Frelimo when it was Renamo which was in real need of help.

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CSO: 3400/683

COUNTRY HOLDS ELECTIONS FOR DELEGATE TO PEOPLE'S ASSEMBLY

Second General Elections

MB141955 Maputo Domestic Service in Portuguese 1900 GMT 14 Dec 86

[Text] The second general elections which began last August today reached their climax following the election throughout the country of deputies to the People's Assembly, the supreme body of state power in the People's Republic of Mozambique. According to latest information received at our news desk, the provinces of Nampula, Zambezia, and Sofala have already elected their deputies to the People's Assembly. As already announced in our previous news bulletins, the City of Maputo elected 37 deputies and the Province of Maputo 21 deputies and 1 alternate. We still do not have information on the election results from Niassa, Cabo Delgado, Tete, Manica, Inhambane, and Gaza because of communication difficulties.

Cabo Delgado, Zambezia, Maputo

MB151902 Maputo Domestic Service in Portuguese 1700 GMT 15 Dec 86

[Excerpts] The Cabo Delgado provincial assembly yesterday elected 24 deputies and 1 alternate member to the People's Assembly. The elected deputies include the following officials: Marcelino dos Santos, Tome Eduardo, Joao Baptisata Cosme, and Julio Carrilho.

In Zambezia Province, 23 deputies were elected to the supreme body of state power.

The Province of Maputo elected 21 deputies and 1 alternate member while the City of Maputo elected 37 deputies.

Manica Elects 15 Deputies

MB151246 Maputo Domestic Service in Portuguese 1030 GMT 15 Dec 86

[Excerpt] The Manica Provincial Assembly, which was constituted on 12 December, convened in its first ordinary session in Chimoio yesterday and elected 15 deputies to the People's Assembly.

Among the 15 deputies elected in Manica Province for the People's Assembly are Jorge Rebelo, member of the Frelimo Party Central Committee Political Bureau; Minister of Justice Ali Dauto; and Manica Province Governor Rafael Maguni.

Gaza Elects Representative

MB151243 Maputo Domestic Service in Portuguese 1030 GMT 15 Dec 86

[Text] The Gaza provincial deputies convened in its first provincial assembly session yesterday. They elected 19 deputies and 1 alternate for the People's Assembly. Ninety-six out of 100 Gaza Provincial Assembly deputies participated in the secret ballot. Two blank votes were registered.

Among the 19 deputies who were elected yesterday are some senior national officials, including Sebastiao Mabote, member of the Frelimo Party Central Committee and deputy minister of national defense; Minister of Trade Aranda da Silva; Deputy Minister of Health Fernando Vaz; Gaza Province Governor Francisco Pateguana; and Fernando Matavel, military commander of Gaza Province.

During the proceedings, the deputies elected Francisco Pateguana as chairman and created a standing commission consisting of 10 members.

Sofala, Nampula, Matola Choose

MB151302 Maputo in English to Southern Africa 1100 GMT 15 Dec 86

[Text] Results from the elections to Mozambique's parliament--the People's Assembly--are now available from 3 of the country's 10 provinces as well as from the City of Maputo. These results were announced yesterday.

In the central province of Sofala, 22 full members of the assembly were elected. These include Prime Minister Mario Machungo; Minister of Interior Manuel Antonio; the Director of Mozambique's Eduardo Mondlane University, Rui Baltazar; and the general secretary of the Mozambican Women's Organization, OMM, Salome Moiane. The election took place in the City of Beira.

In the northern province of Nampula, 29 deputies were elected, including Cooperation Minister Jacinto Veloso; Agricultural Minister Joao Ferreira; Deputy Transport Minister Azarias Muhate; and the provincial military commander Major General Eduardo da Silva Nihia.

In the City of Matola, just outside the capital, elections were held by the Maputo Provincial Assembly for 20 deputies to the legislature. Among those elected were Frelimo Party Political Bureau member Armando Guebuza; Secretary of State for Defense, Joaquim Munhepe; Secretary of State for Culture and Mozambique's best known prose writer, Luis Bernardo Honwana; and Finance Minister Abdul Magid Osman. Mr Osman received the lowest number of votes

among the successful candidates with seven members of the provincial assembly voting against him,

In none of these three provinces were any of the Frelimo Party Central Committee recommendations overturned. The Central Committee drew up the list of candidates for the election. The list contains (?80) percent more names than (?the 62 received) but the Central Committee also indicates which of the candidates it would like to see in the assembly. Results from the other seven provinces are expected later today or tomorrow.

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CSO: 3400/683

ZIMBABWE HAULER TRANSPORTS GRAIN TO FAMINE VICTIMS

Harare THE FINANCIAL GAZETTE in English 28 Nov 86 p 27

[Text]

NORTH Eastern Transport (NET) is the "mission of mercy" haulier. Every day their vehicles make the long haul into remote areas of Mozambique loaded with grain.

Their latest contract, operated from a special depot next to the GMB at Mutoko, is to ferry 3 000 tonnes northwards to Changara, Tete, Moatize and Estima. After completing the run, the NET crew will repeat the same mission again early in the New Year.

The Mutoko depot is manned by a crew of drivers, mates, maintenance men and office staff. It is their job to keep operations going, regardless.

EEC-FUNDED

The European Economic Community (EEC) is funding this exercise, although the North Eastern crew mainly work through World Vision.

In September and October, using Rusape as their base, they transported 5 000 tonnes of grain to needy people in the Chimoio and Beira areas, delivering mainly to Red Cross distribution points. In 10 weeks, operating day and night, they were received as heroes everywhere they arrived. Their special

crew finished the contract two weeks early and didn't suffer a single breakdown. They logged the equivalent of twice around the world.

For this kind of work, NET uses its repowered horses. These are vehicles that have been stripped right down to the chassis and rebuilt, with a new engine installed. The engineers have taught other major transport companies the technique, and meanwhile NET saves enormous sums of foreign exchange.

NET's Ian Strachan says: "Our repowers are more reliable and cost efficient than their originals."

These are also being used to take farm implements and seeds, both maize and vegetables, into Mozambique from Harare and Bulawayo direct. This project is funded by Denmark.

NET is part of the TA Motor and Transport Division, which also includes Glens. There are 54 vehicles under rigid maintenance schedule at Plymouth Road, Harare and it is probably the only Zimbabwe company that can offer a comprehensive service — freight forwarding, removals, airfreighting, shipping and a triple rail siding facility, as well as the contract work for aid agencies.

CSO: 3600/667
/9317

MOZAMBIQUE

BRIEFS

SUSPECTED SPIES TO BE EXPELLED--Three Portuguese nationals are to be expelled from Mozambique after almost 3 months in jail. The three were arrested in September on charges of acting against state security. All three were released from prison early this month. They are expected to arrive in Lisbon early next year. Meanwhile, the MNR rebels fighting the Frelimo government say they have killed 135 soldiers and captured another 15 since last Sunday. The MNR has not acknowledged any casualties. The Mozambique Government rarely comments on rebel claims. The MNR says recent operations included a heavy artillery attack on the port Nacala. [Text] [Umtata Capital Radio in English 0600 GMT 16 Dec 86 MB] /9274

JOURNALISTS SUPPORT DETAINED RSA EDITOR--We begin our news service today with a vote of solidarity with Zwelache Sisulu, a South African journalist who is the editor of the NEW NATION newspaper, and who was arrested by the Pretoria regime on Friday. [Begin Zwelache recording in English] The struggle must continue so that the greatest respect we can pay to Samora Machel is to complete the revolution that he did not complete. [end recording] That was Zwelache Sisulu when he called Radio Mozambique, expressing his sorrow at Machel's death and solidarity with our struggle. Now, more than ever before, Sisulu and the South African people need that solidarity. In these times, the Mozambican journalists state that people like Zwelache Sisulu cannot be left in the hands of a state that is known worldwide for killing patriots in his jails. [Text] [Maputo Domestic Service in Portuguese 1030 GMT 17 Dec 86 MB] /9274

CREDIT LINE FROM ZIMBABWE--Zimbabwe has opened a 5 million Zimbabwean dollar line of credit for Mozambique. The credit is to be used for the importation of Zimbabwean raw materials for Mozambican industries over the next 2 years. Among the items to be imported are: cotton fiber, tobacco, steel [word indistinct], asbestos, and seeds. Agreement on the credit was reached at a meeting in Harare of the Mozambique-Zimbabwe Joint Commission. [Text] [Maputo in English to Southern Africa 1100 GMT 21 Dec 86 MB] /9274

DHLAKAMA REPORTEDLY IN MALAWI--A former Mozambican prisoner of the armed bandits, [Wahid Lidissone), has told AIM that the president of the armed bandits, Afonso Dlakama, was evacuated to Malawi on 2 December. (Wahid Lidissone), who arrived in Moatize 2 weeks ago from Malawi, said the Malawian authorities had sent two buses to the Code region to transport

Dhlakama and his most trusted collaborators. (Lidissone) told AIM that Dhlakama had been living at an armed bandit base in Milanje district, Zambezia Province, before he was evacuated to Malawi. According to (Lidissone), the withdrawal of the president of the armed bandits was a result of the concentration of Mozambican forces near the base. [Text] [Maputo Domestic Service in Portuguese 0500 GMT 22 Dec 86 MB] /9274

FAMINE RELIEF REQUIRED FOR TETE--Tete Province Governor Eduardo Arao has said that the province requires immediate aid to confront famine situation, but greater importance was given to projects which would ensure a sound future. Eduardo Arao said this during a meeting he held last week with a UN delegation which visited Tete for familiarizing itself with the situation created by natural disasters in order to better study the kind of support to be extended to the region. The situation is dramatic in that there is a combination of the effects of natural disasters and the war of aggression mounted against us by South Africa through armed bandits. The war forces the people to leave their residential areas in disarray; abandoning their fields and property, thus substantially increasing the need for assistance. According to the governor, a total of 458,000 people are affected by famine in Tete. [Text] [Maputo Domestic Service in Portuguese 1030 GMT 21 Dec 86 MB] /9274

FPLM CAPTURES 'BANDIT' CAMP--Last Tuesday FPLM forces attacked and captured an armed bandit camp in Chichanga, on (Inhazombue) Plateau, in Inhambane Province. Second Lieutenant Joao Sitoi, who commanded the operation, told Radio Mozambique that the final assault was preceded by two battles, during which the bandits suffered losses. Later, the bandits tried to attack our forces' flanks but were promptly checked. [Text] [Maputo Domestic Service in Portuguese 1030 GMT 21 Dec 86 MB] /9274

COOPERATION WITH ITALY--The total value of Mozambique-Italy cooperation has been estimated at \$100 million. Italian Charge d'Affaires to Mozambique (Alfredo Bastianelli) told Radio Mozambique that the amount has been spent on two main sectors, namely development and emergency aid. The diplomat disclosed that there could be an increase in the value of cooperation within the next few years when projects in the telecommunications sector worth \$50 million are implemented. These projects will provide Mozambique with a modern telecommunications system within 2 years. In his interview with Italian charge d'affaires further stated that a further \$22 million will be allocated to the purchase of assorted goods for the Mozambican market, and that \$19 million would be spent on an irrigation project in the Umbeluzi area. [Text] [Maputo Domestic Service in Portuguese 1030 GMT 20 Dec 86 MB] /9274

'SOLIDARITY DONATION' FROM GDR--In Maputo today, Helmut Matthes, GDR ambassador to Mozambique, turned over various articles, including clothing, food, office equipment, and agricultural implements as a solidarity donation from the GDR people to the Mozambican people. The donation is specifically destined for the Frelimo Party Central Committee, the Mozambique Workers Organization [OTM], the Ministry of Mineral Resources, the Higher Institute of International Relations, Eduardo Mondlane University, and a number of

agricultural enterprises. The donation was received by Jose Luis Cabaco, Frelimo Party Central Committee secretary. Present at the ceremony, apart from other party and state officials, were Augusto Macamo, OTM secretary general, Abner Sansao Muthemba, secretary general of the Mozambican Association of Friendship and Solidarity With Peoples; and Felix Amane, political commissar of Maputo port. [Text] [Maputo Domestic Service in Portuguese 1730 GMT 19 Dec 86 MB] /9274

BRITISH DEVELOPMENT GRANT--In Maputo yesterday our country and Britain signed an accord worth about 6.5 million pounds sterling, some 350 million meticals. The accord, which was signed by Minister of Cooperation Jacinto Veloso and British Ambassador to Mozambique James Allan, provides for the granting of two donations to Mozambique. Of that amount 5 million pounds sterling will be used to import spare parts for agricultural equipment, and consumer goods for light and food industrial sectors. The remainder has been earmarked for technical assistance and the rehabilitation of the northern railroads, as well as the acquisition of tools. [Text] [Maputo Domestic Service in Portuguese 1030 GMT 20 Dec 86 MB] /9274

ZIMBABWE AID FOR BANDITRY VICTIMS--The current war situation in our country has produced a mass movement in Zimbabwe in support of Mozambique. The Zimbabwe-Mozambique Friendship Association, Zimofa, which was created at the beginning of this year, is one of the organizations that support Mozambique with the objective of strengthening friendship ties and cooperation between the peoples of the two countries. Lieutenant Colonel (Clemence Kazan), chairman of Zimofa, speaking on his organization's objectives in an interview in Harare recently, said that Mozambique-Zimbabwe friendship is a normal occurrence due to the historical ties between the two countries. He also said that Zimofa has already managed to gather an assortment of aid, including clothing and foodstuffs, for the victims of armed banditry in our country. [Text] [Maputo Domestic Service in Portuguese 0500 GMT 15 Dec 86 MB] /9274

ARRESTS OVER FOREIGN TRADE--Maputo--Mozambique's security police, the SNASP, yesterday arrested an unspecified number of people for "unauthorised foreign trade." Several foreigners were arrested and unconfirmed reports said at least two Portuguese were among them. A SNASP spokesman said goods had been confiscated and those people arrested were "managers or representatives of companies operating illegally." [Text] [Johannesburg THE STAR in English 10 Dec 86 p 3] /9317

CSO: 3400/667

BRIEFS

URANIUM GETS SYSMIN AID--The EEC has agreed to grant funds from the Lome Convention's Sysmin facility to help cope with dramatic downturns in uranium export earnings. The amount has yet to be calculated, but the funds will be in addition to the ECU 120 million (\$123.7 million) already pledged under Lome 3. The industry has been devastated by the mineral's declining fortunes on the world market, which led to a 26.2 percent drop in exports between 1981 and 1985. At its peak, uranium production from the Akouta and Arlit mines in Air accounted for 43 percent of the state budget. The two operating companies, Compagnie Miniere d'Akouta (Cominak) and Societe des Mines de l'Air (Somair), in which the government has a one-third stake have been badly damaged by the crisis--Somair is considered to be in a critical state. By 1984, uranium's contribution to the state budget had fallen to just 14 percent (CFA 80,000 million--\$243 million). The EEC does not intend to prop up the industry itself, but will direct funds to programmes within the World Bank structural adjustment programme, negotiated at the start of 1986. This programme, fed by World Bank adjustment credits, aims to concentrate on introducing budgetary rigour, streamlining the public sector, encouraging private enterprise and reorganising agricultural policies to boost output. Preliminary EEC proposals identify energy and economic infrastructure in rural areas as two areas likely to qualify for Sysmin aid. [Text] [London AFRICAN ECONOMIC DIGEST in English 29 Nov 86 p 9] /9317

IDA LOAN FOR EDUCATION--The International Development Association (IDA) has approved an \$18.4 million credit for a \$26.2 million primary education project, part of the World Bank-supported structural adjustment programme, which includes funding for human resources development (AED 29:3:86; 1:3:86). The project aims to increase primary school enrolment by some 34,000 by 1993 and involves building 750 classrooms and renovating 3,000. The National and Higher Education and Research Ministry will be strengthened to improve its capacity to plan, monitor and implement education projects. Other elements include promotion of a community-based school maintenance system, limited recruitment and in-service training of teachers, development and use of low-cost textbooks and teacher guides. Co-financing is coming from the Norwegian government (\$4.7 million), West Germany's Kreditanstalt fuer Wiederaufbau (KfW--\$1.7 million) and the government (\$1.4 million). [Text] [London AFRICAN ECONOMIC DIGEST in English 29 Nov 86 p 9/ 9317

CSO: 3400/668

DEBT PACKAGE DEPENDS ON CONTINUING CREDITOR SUPPORT

London AFRICA ECONOMIC DIGEST in English 29 Nov-5 Dec 86 pp 2-3

[Text]

NEITHER side was prepared to pop champagne corks to celebrate the agreement in principle reached on 20 November on a debt rescheduling package between Nigerian government officials and the creditor banks' steering committee.

The agreement came after three weeks of what one banker described as "very strident negotiations." Its confirmation, and any ensuing celebrations, will depend on the reactions from the 300-plus creditor banks represented by the steering committee to the matter of their contribution to the \$320 million new money to be raised and to the 'boilerplate' of the agreement — the arrangement fees, interest rates and spreads (see page 3).

But what the 20 November agreement does mean is that both creditors and the government can now, with some confidence, see their way through the financing maze to a viable schedule for the implementation of the agreement and the disbursement of new credits.

While the creditor banks are expected to signal their views on the package by mid-December, the Paris Club of official creditors is due to start a two-day meeting on 15 December to agree on details of rescheduling Nigeria's debts to western export credit agencies.

Rescheduling is expected to follow the commercial bank deal and cover the 1986/87 period, although short-term arrears could present a problem in the negotiations. Also of vital importance is the amount of new money that would be agreed. Lagos had originally hoped for \$296 million this year and \$590 million in 1987, with repayments starting in 1992. The Paris Club is now being asked for \$600 million in new money, with the UK's Export Credits Guarantee Department backing half of this amount.

The World Bank started disbursement of its \$452 million trade adjustment loan to Nigeria on the day the debt deal was reached and the last piece in the jigsaw, the uninsured short-term creditors holding promissory notes, are now due to be sent proposals by the government some time in December. A circular is to be sent out to all note-holders in the week ending 29 November, informing them of the delay in the despatch of the

proposals and the postponement of the projected London meeting to discuss rescheduling the maturity of the notes.

The whole operation has been made necessary by Nigeria's determination not to be seen to be kow-towing to the IMF, and the resultant delays during which the arrears problems have mounted. To that end, the government has been prepared to accept more expensive money in order to retain its political credibility at home. That aim it seems to be achieving — although rising prices may change that — with President Babangida apparently winning a large measure of public support for the strategy, although some criticisms of the terms of the deal have begun to emerge.

The deal also confirms a political, as well as economic, commitment by western governments and their banks. While the commitment by US banks was always far less — hence their tougher stance in the negotiations — they recognised that "Nigeria is Europe's Mexico," as one US banker put it. Certainly the deal follows Mexico — where US bank exposure, as well as Washington's strategic concerns, are much more critical — in developing novel means of easing Third World debt problems. But Nigeria remains a unique case and the nature of its short-term debt problems have ensured that it has got harsher terms.

Nigeria's rescheduling package is the first attempt in Africa at the much-vaunted 'Baker plan' approach to Third World debt, launched last year by the US treasury secretary to pump commercial funds into major debtors. As such, it is a filip to the plan in a continent that felt it was being bypassed by the initiative. It is also the first time that a major debtor has concluded a standby arrangement with the IMF without any compulsion to draw the money; the Mexican deal requires full IMF involvement.

The uniqueness of the Nigerian deal has failed to make the commercial banks loosen the purse strings beyond the \$320 million originally proposed, to which the steering committee have still to persuade the creditor banks to contribute. Senior Nigerian officials and some of the country's traditional medium-term bankers have expressed dismay at the squabbling over \$320 million when, under pressure from the US Treasury, commercial banks stumped up \$6,000 million in new financing for Mexico.

Aside from Nigeria's relationship with the IMF, and the public relations job that needs to be done to raise the new money, the viability of the package in relation to Nigeria's foreign exchange earnings remains in question. Projections used in the rescheduling talks set Nigeria's 1987 oil earnings at \$6,169 million, based on an average price of \$13 a barrel and production of 1.55 million barrels a day (b/d). This is considered extremely cautious, and is some 20 per cent down on estimates made in July (see table). The government is also cautious on the medium-term outlook, positing an oil price of \$15.05 by 1990 and \$19.21 in 1995.

These projections clearly understate the case when measured against recent forecasts of oil price movements. Nigeria's Petroleum Resources Minister Rilwanu Lukman, for example, recently predicted that: "Prices in the next year will rest in a range between \$15-18 a barrel — a level just sufficient to keep fuel oil competitive with coal in the electricity sector and a level that could discourage further investments in hostile oil-producing areas in the short to medium term. In the next years I envisage oil prices rising to \$20 a barrel and thereafter rising at the rate of inflation until 1995 or thereabouts."

Nigeria's financing prospects to 1991
Latest federal government projections (with mid-1986 projections in brackets)
(\$ million)

	1987	1988	1989	1990	1991
Oil production*	1.55 (1.50)	1.60 (1.60)	1.70 (1.70)	1.80 (1.80)	1.84 (1.80)
Oil exports*	1.30 (1.30)	1.35 (1.40)	1.45 (1.50)	1.55 (1.60)	1.59 (1.60)
Oil price**	13.00 (16.50)	13.65 (17.50)	14.33 (19.00)	15.05 (20.00)	15.80 (21.50)
Oil exports	6,169 (7,650)	6,738 (8,770)	7,585 (10,190)	8,514 (11,460)	9,142 (12,560)
Non-oil exports	500 (500)	625 (740)	781 (830)	977 (980)	1,074 (1,070)
Merchandise imports	6,000 (7,040)	6,300 (8,040)	6,615 (8,700)	6,946 (9,360)	7,293 (10,030)
Invisible imports	1,154 (1,480)	1,092 (1,610)	1,323 (1,740)	1,389 (1,870)	1,459 (2,010)
Current account balance	-2,381	-2,018	-1,662	-1,504	-763
Financing gap (before rescheduling)	4,225 (5,120)	3,971 (4,660)	3,540 (3,610)	1,776 (1,210)	1,075 (180)

* million barrels a day

** \$ a barrel

Source: Federal government

OPEC is now committed to achieving a price of \$18 a barrel for its oil, possibly by the reintroduction of a fixed price. Although this would necessitate production cuts by OPEC members, oil analysts, including the International Energy Agency, believe the \$15-18-a-barrel range put forward by Lukman is tenable as an average for prices next year.

The situation may become clearer after OPEC's crucial 11 December meeting in Geneva (AED 22:11:86; Market Report). The federal government's assumption of a 1.3-million-b/d export level is also realistic for such an average, provided others now overproducing make cuts. But it will face a tough time in Geneva defending this quota and arguing that it should equal exports rather than total production.

Under existing and proposed criteria for quota allocation and weighting of country characteristics, proposed to OPEC ministers in October, Nigeria does not score well in comparison to other high-population oil-producing countries, or even the low-population Gulf producers. While oil industry officials are more bullish about Nigeria's oil prospects in the medium term, they advocate caution with revenue projections at least during the three-year structural adjustment programme.

The government's cautious approach extends to the non-oil sector, export earnings from which have been revised down. The impact of more cautious planning is a slashing of import projections. The gloomy mood for imports this year has darkened further, with 1986 levels now put at \$5,460 million (goods only), over 20 per cent down on the July prediction of \$7,040 million. Imports next year are now put at \$6,300 million, compared with a hoped-for \$8,040 million earlier. By 1995 they are still put at only \$8,865 million, as import-substitution policies make themselves really felt.

The even more austere view now taken by the government does mean that the estimated financing gap before rescheduling is lowered. However, the sums are still impressively large. On government calculations — based on a slightly more optimistic rescheduling package — the 1987 and 1988 financing gaps of \$4,225 million and \$3,971 million (\$5,120 million and \$4,660 million predicted in July) translate into a residual financing gap of \$1,150 million and \$1,273 million. On this basis, the debt servicing burden is reduced to 20 per cent of merchandise exports, instead of the 72 per cent the bunching of repayments and arrears had originally — and theoretically — signalled for 1987.

If, as expected, 1988 and 1989 debt is rescheduled on similar terms — hopefully after less protracted negotiations — debt servicing should hold at around 20 per cent until 1990, when repayments will move it up to 30 per cent.

The 'manageability' the rescheduling gives to Nigeria's payments problems is crucially dependent upon a continued flow of new money. The \$1,150 million residual financing gap for 1987 is already plugged, provided the commercial creditors agree the \$320 million proposed and the Paris Club fulfils its part.

But similar amounts are going to be needed in subsequent years — the government suggests \$1,273 million for 1988 and \$1,530 million for 1989. This will depend upon the whole complex mesh — commercial banks, official credit agencies, IMF and World Bank — staying in harmony and coughing up more funds. This is something the bank, at least, says it will do.

Above all, it means the government's programme staying on track. The austerity of the present calculations has given creditors confidence and hopefully provides room for some slippage. The programme will place a heavy strain on the domestic economy, particularly manufacturing.

If the package is not successful — giving a boost to productive activity and soaking up rising unemployment — it will quickly fail politically. That is a chance the Babangida government will not be willing to take. While political sensitivities will influence how the package is implemented, the government is clearly geared up to making it work. To do so it needs a protracted period of external support — including additional project funding to help transform the economy — and a reasonable oil price. On the latter, its attitude is pessimistic, hoping that prospects will improve. Its creditors probably feel the same way.

CSO: 3400/675
/9317

PARASTATAL PRIVATIZATION LIST DRAWN UP

London AFRICA ECONOMIC DIGEST in English 29 Nov-5 Dec 86 pp 9-10

[Text]

The inter-ministerial committee on commercialisation has recommended the full and partial privatisation of 91 state enterprises, in a report submitted to National Planning Ministry permanent secretary Abubakar Alhaji, the committee chairman (AED 30:8:86).

This provides the first indication of the scope of the government's privatisation scheme. The list recommends 15 federal government-owned parastatal and public enterprises for full privatisation. These include **Nigerian National Petroleum Corporation (NNPC), Nigerian Telecommunications (Nitel), National Insurance Corporation of Nigeria (NICON) and Nigerian Coal Corporation.**

The list also includes the six agricultural commodity marketing boards, some of which — including those for cocoa, rubber and groundnuts — have already been wound up (AED 6:9:86; 7:6:86).

Concerns recommended for partial privatisation — which could comprise the introduction of commercial accounting practices — include **National Electric Power Authority, Nigerian Ports Authority, Nigerian Airport Authority, Nigerian Television Authority and Federal Radio Corporation of Nigeria**, as well as teaching hospitals, river basin authorities and research institutes.

The sub-committee — made up of representatives from the National Planning, Transport & Aviation, Mines, Power & Steel, Employment, Labour & Productivity, and Finance Ministries and

the cabinet office economic department — states that projected revenue from these enterprises was N 995 million (\$282.7 million) for 1985. But actual receipts had amounted to only N 576 million (\$163.6 million), a shortfall of 42 per cent. Funding by the federal government during the year totalled N 2,580 million (\$733 million).

The sub-committee's report contains 28 recommendations for implementation.

It proposes that all parastatals should be directed to pay at least half their net annual surplus to the treasury and that government guarantees for loans should be terminated from 1 July 1987 and all grants to national professional bodies halted by 31 December 1986.

However, informed sources in Lagos caution that it is extremely unlikely that the government will agree to implement the sub-committee's recommendations in full. In particular, there is strong opposition to any sale of national assets that might lead to control over strategic sectors of the economy reverting to non-Nigerian hands.

For this reason, full privatisation of NNPC is considered a non-starter, particularly as the company has recently started an extensive re-organisation, setting up separate product units expected to operate on a commercial basis. Nitel, too, has recently disclosed plans to allow "reputable" private telecommunications firms to participate in certain areas of its activities — including provision of telephone and telex equipment — in a bid to improve efficiency.

CSO: 3400/675
/9317

CHIRAC PLEDGES AID OVER NEXT 5 YEARS

Paris THE INDIAN OCEAN NEWSLETTER in English 25 Oct 86 p 6

[Text] French prime minister Jacques Chirac justified his choice of Reunion to present the "loi-programme" adopted by the cabinet on October 8 by saying that the island's deputy in the national assembly, Michel Debre, was its instigator. The measure provides for 3.6 billion francs for France's overseas departments and territories (DOM-TOM) over the next five years to achieve "social parity" with the mainland. Mr Chirac said the financial investment would be proportional to the population in both cases and the notion that the DOM-TOM should receive according to their contribution to the national wealth no longer applied. Spending on housing would be doubled, and the prime minister also took the opportunity to present the notice of implementation of the law on tax relief on investments in the DOM-TOM, which had been delayed.

Finally, Mr Chirac disclosed the sums decided for the integrated development operation between France and the European Community. Out of a total four billion francs over five years, 670 million would come from the French treasury. This aid would in particular enable the western side of the island, which experiences regular droughts, to be irrigated. It will also assist training, family and social tourism schemes, fishing and the sugar industry.

Mr Chirac attacked Paul Verges, the secretary-general of the Reunion communist party, going so far as to call him an "enemy" for calling the notion of global social parity "social apartheid" (see ION No 251).

With this visit the French prime minister has confirmed that the overseas territories feature among the priorities of his government.

/9274

CSO: 3400/652

BRIEFS

BOAT SUNK, SPYING CHARGED-After the sinking of the trawler Southern Raider on October 9 of the island of Saint Paul (see ION No 252), the boat's flight and its possible scuttling (it was hit forward by shells from a French patrol ship and sank by the stern, is being officially explained by its suspected involvement in some form of drug-running. Six crew members, Australians and New Zealanders, have been charged with this offence, while reports from Australia say the captain and owner of the Southern Raider, John Andrew Chadderton, was allegedly mixed up in a drug racket in southeast Asia, though he was never convicted. I.O.N.--Information obtained by THE INDIAN OCEAN NEWSLETTER indicates that the French authorities are more inclined to suspect a case of spying. A government representative contacted members of the crew of the sunken trawler before the French ship landed them at Reunion, and is said to have offered to pay for the boat and repatriate the crew if the captain gave full details of his mission in the waters round the French Southern and Antarctic Territories. Senior officials suspect Australia, which has always been interested in this area. [Text] [Paris THE INDIAN OCEAN NEWS-LETTER in English 25 Oct 86 p 6] /9274

CSO: 3400/652

BRIEFS

TRADE DEFICIT--According to the latest official statistics the Seychelles saw imports rise by 17 percent in 1985 to 718.7 million rupees (120 million dollars) compared with 1984. Exports plummeted, on the other hand, to 19.5 million rupees, the worst performance for nine years. The overall trade deficit, at 523 million rupees, has grown by 20 percent. In a recent speech President France Albert Rene referred to a serious shortage of foreign currency, but he ruled out devaluation of the rupee or the introduction of exchange controls. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 25 Oct 86 p 7] /9274

CSO: 3400/652

SOVIET FISHING AGREEMENT REVISED

London AFRICA ECONOMIC DIGEST in English 29 Nov-5 Dec 86 pp 10-11

[Text]

The government has failed in its bid to secure 25 per cent of profits from the sale of fish caught in territorial waters under a non-exclusive agreement with the Soviet Union.

A new agreement signed in Freetown in November gives the government 15 per cent of the value of fish sales — only 3 percentage points more than under the previous 1976 agreement.

The agreement also provides for increased training of nationals by the Soviet Union, constitution of a national fishing fleet, supply of 20,000 tonnes a year of fish for sale locally and of 10 shrimping vessels during the season.

The government is also released from financial obligations due to Franco-Soviet fishing company, **Fransov**. Fransov has a 20 per cent holding in **Sierra Fisheries Company**, set up in 1976 with the government holding 25 per cent, **Sierra Leone National Development Bank** 10 per cent, and private interests 45 per cent.

The government is reported to be unhappy about the level of compensation agreed in the new deal. It believes it can get better terms elsewhere and is actively looking for other interested parties.

There are now about 35 fishing companies operating in Sierra Leone's territorial waters; six are joint ventures with foreign interests.

Meanwhile, Agriculture Minister Suffian Kargbo, has announced that the government will soon launch a national surveillance programme to stop illegal fishing, following the supply of two patrol craft by the US and China.

CSO: 3400/676
/9317

ZAMBIA

ZAMBIA, JAPANESE FIRMS SIGN CONTRACT TO IMPROVE TELECOMMUNICATIONS

MB171512 Dakar PANA in English 1431 GMT 17 Dec 86

[Text] Ndola (Zambia), 17 Dec (ZANA/PANA) -- Zambia Wednesday signed two contracts with a Japanese company for the rehabilitation of country's telecommunications network at a cost of 20 million U.S. dollars.

Post and Telecommunications Director General Mr Langston Kawesha signed on behalf of Zambia while Mitsui and Company Limited general manager, Mr Kazuo Sato signed on behalf of his company.

The first contract for the sum of 7,620,398 U.S. dollars is for the supply, installation and commissioning of eight digital telephone exchanges.

The second contract is for the supply of 46,500 different types of telephone sets at the cost of 13.53 million U.S. dollars. Both contracts are funded under the African Development Bank loan given to the Government of Zambia for the rehabilitation of telecommunications network.

At the signing ceremony, Kawesha said the contracts were designed to increase the number of lines in Lusaka and to provide additional capacity at provincial centres where the existing capacity had already been exhausted.

/9274

CSO: 3400/686

BRIEFS

INFLUX OF ANGOLAN REFUGEES--A total of 1,421 Angolan refugees have allegedly entered Mwinilunga through Jimbe border post this year and have settled in villages in the district. Mwinilunga District executive secretary, (Mhloko Mango Makwate), disclosed this today and said there are now 7,000 refugees who have settled in the district. Mr (Makwate) said that the latest arrivals of refugees in the district (?were from 8 December), [Text] [Lusaka Domestic Service in English 1115 GMT 19 Dec 86 MB] /9274

REFUGEE INFLUX FROM ANGOLA, MOZAMBIQUE--The authorities in the eastern and northwestern provinces of Zambia have reported a sharp increase in the number of refugees from Angola and Mozambique. They say it is indicative of intensified fighting between government troops and rebels in Angola and Mozambique. The president of the Renamo movement in Mozambique, Mr Afonso Dhlakama, told a Portuguese radio station yesterday that his movement was on the threshold of a major victory in Mozambique. A member of the Central Committee in the eastern province of Zambia said that the number of Mozambican refugees had increased from 19,000 to 23,000 in the past few weeks. In the meantime the United States has decided to grant Mozambique more than 30,000 tons of food for starving people in the drought-stricken northwestern province of Tete over the next 10 months. A spokesman for the American Embassy in Maputo said that 500 tons of oil, maize, and beef had already arrived in Tete. [Text] [Johannesburg Domestic Service in English 1500 GMT 15 Dec 86 MB] /9274

CHINESE RICE EXPERTS PRAISED--Lusaka, 4 Dec (XINHUA)--Member of the Zambian ruling party Central Committee Rankin Sikasula has commended the Chinese expert team for its contribution to the development of Zambia's rice production. Sikasula told the official Zambia News Agency ZANA today that he was highly impressed by the work being carried out by the Chinese experts to find best varieties of rice after visiting the Kafushi rice project in Kabwe of Central Province Wednesday. He appealed to the Chinese experts to extend their knowledge to farmers in other districts and provinces in Zambia so as to help the nation produce sufficient rice for herself and even for export. Sikasula said the Zambian Government was doing everything possible to find solutions to the problems in the project, such as a critical shortage of transport and materials. The rice project, a joint venture between the Zambian and Chinese Governments beginning in 1975, is currently experimenting on 26 varieties of rice with a view to finding high-yielding, fast-maturing and disease-resistant varieties. [Text] [Beijing XINHUA in English 0041 GMT 5 Dec 86 OW] /9274

ZIMBABWE

ZIMBABWE HERALD URGES ACTION AGAINST RSA 'PRESS GAGS'

MB201525 Harare THE HERALD in English 12 Dec 86 p 8

[Editorial: "SA [South African] Press Gag"]

[Text] The press in South Africa has been stood up against the wall and President P. W. Botha's executioners are now bludgeoning opponents of apartheid without having to look over their shoulders.

That media executives actually helped Botha to administer this paralysing dose to the press, through new curbs introduced yesterday, points to a grave situation faced by the oppressed masses in the apartheid state who can no longer communicate their suffering to the outside world with the press thus totally gagged.

With no outsider knowing what is going on inside the massive wall of silence, South Africa is sure to become a bloodier theatre of torture and murder; otherwise, why muzzle the press at all?

But experience has taught us that it will not help the black people, and other opponents of apartheid now facing extermination by the boers, for the outside world merely to express feeble protests against the new Draconian measures. The rulers in South Africa are amenable to change only when they feel the heat which, in this case, the outside world must direct at Botha before the situation down there worsens.

/9274

CSO: 3400/684

CLUFF REPORTS GOLD FINDS

London AFRICAN ECONOMIC DIGEST in English 29 Nov-5 Dec 86 p 18

[Text]

Cluff Mineral Exploration (Zimbabwe — CMEZ), a wholly owned subsidiary of the UK's **Cluff Oil Holdings**, has announced two gold discoveries in its Bindura concession. After six months of drilling, CMEZ was granted an exclusive prospecting order (EPO) for Bindura (EPO 613) on 26 September, giving it sole rights in the concession.

On 2 October, the company announced drilling results in its Rebecca prospect in EPO 613 which indicated a mineralised resource of 1.5 million tons at 3.9 grams a ton, or 188,000 ounces of gold.

On 24 November, a second discovery in EPO 613, at the Freda prospect adjacent to Rebecca, was announced. Freda's mineralised resource is estimated by CMEZ at 51,023 ounces. The company also gave a revised estimate for the

Rebecca resource at 242,098 ounces. CMEZ's revised estimate for the two prospects is 56 per cent higher than previously announced.

CMEZ says it is exploring in two other zones of the Rebecca/Freda area, where it plans to start a percussion drilling programme. Drilling has also started in CMEZ's Mount Darwin concession (EPO 609).

The company's other Zimbabwe concession is the Royal Family mine at Filabusi, its original EPO in the country. The mine has been producing for two years and, the company says, is "earning a steady profit." Half the profits are remitted to the UK, with the remainder used for exploration and development. Reserves at Royal Family, where heap-leaching facilities are being enlarged, are put at 52,972 ounces as of 30 September, higher than earlier estimates.

CSO: 3400/665
/9317

BRIEFS

RURAL ELECTRICITY EXPANSION SLOWS--Harare--Shortages of supplies and equipment due to a lack of foreign currency has considerably slowed down electricity expansion in Zimbabwe's rural areas. A spokesman for the Zimbabwe Electricity Supply Authority said the foreign currency allocation for ZESA had been cut drastically. Suppliers of creosote, used to safeguard electricity poles against termites, were only able to provide sufficient for what the authority would need to lay 150km of line. ZESA normally laid 500km a year. There was no zinc available for the galvanising of cross arms and bolts. Zinc could be bought from preferential trade area countries but it was one of the items exempt from the PTA hard currency arrangement and so the PTA clearing house could not be used for buying it. There was no aluminium ingot being allowed into the country at present and normal line material could not be made, he said. ZESA was now using copper for as much of its line requirements as it could.--Sapa [Text] [Johannesburg THE CITIZEN in English 9 Dec 86 p 13] /9317

INCREASED SALE OF FERROCHROME--Ferrochrome producer Zimbabwe Alloys reports substantially increased sales volumes, with turnover rising to Z\$52.8 million (\$31.3 million) in the six months to 30 September. Low-carbon ferrochrome exports to Europe performed particularly well. However, higher interest charges of Z\$3.3 million (\$1.97 million) kept net profits down to Z\$4.3 million (\$2.5 million). The interim dividend has been held at four cents a share. Directors say higher costs also contributed to reduced profitability and warn that second-half results are likely to be lower. [Text] [London AFRICAN ECONOMIC DIGEST in English 29 Nov 86 p 18] /9317

SUGAR REFINER ZSR SALES INCREASE--Sales of sugar refiner ZSR increased by 8.5 percent in the six months to 30 September. The company reports significant growth in the industrial sector and continued growth in the rural sector through improved distribution. Turnover, at Z\$46.7 million (\$27.7 million), compared to Z\$36.2 million (\$21.3 million) in the corresponding period of 1985. Net profits rose from Z\$258,000 (\$158,000) to Z\$389,000 (\$230,600), but the directors say that higher input costs have eroded the sugar refining margin and they want another price increase. The last domestic price rise was in August 1985. Another application was submitted to the Trade and Commerce Ministry in March and the directors say "there appears to be no reason why this increase should not be granted." [Text] [London AFRICAN ECONOMIC DIGEST in English 29 Nov 86 p 18] /9317

ZAPU LEADERS PLEDGE UNITY--The ZAPU Central Committee has pledged its commitment to unity since there is no alternative other than unity in the country. At its 6-hour long meeting chaired by Dr Joshua Nkomo at his residence in Highfield, the 100-member ZAPU Central Committee praised the prime minister, Comrade Robert Mugabe, for his constructive statements. The Central Committee called on all ZAPU supporters to rededicate themselves to the service of Zimbabwe. [Text] [Harare Domestic Service in English 0500 GMT 14 Dec 86 MB] /9274

ZANU-PF MASVINGO CHAIRMAN--The ZANU-PF secretary for administration, Comrade Maurice Nyagumbo, has told THE HERALD that the party's deputy chairman for Masvingo, Comrade Oliver Munyaradzi, will act as provincial chairman. This follows the removal of Comrade Eddison Zvobgo on charges of misconduct. Comrade Nyagumbo said Comrade Munyaradzi will remain acting chairman for the province until elections are held at a date to be announced in due course. Comrade Nyagumbo said Comrade Zvobgo has also lost his post as a member of the Masvingo Party Provincial Council, but still retains his central committee membership. [Text] [Harare Domestic Service in English 0400 GMT 22 Dec 86 MB] /9274

CSO: 3400/684

COUNCILLOR REVEALS JMC'S 'SECRET' SYSTEM OF CONTROL

Cape Town THE ARGUS in English 28 Nov 86 p 23

[Article by Dennis Cruywagen]

[Text]

THE Joint Management Centres (JMC) formed a secret system of control answerable only to the State intelligence service and were usurping the functions of public representatives, the Divisional Council was told this week.

Little is known about the JMCs, described as an "important element of the regional network of the State Security Council" by councillor Mr Neil Ross who dissected the organisation at this week's council meeting.

He discounted a council works committee report which claimed "no politics is involved in the system because it is run by officials".

Mr Ross said two JMC subsidiaries, the Constitutional, Economic and Social Committee (Staatkundige, Ekonomiese en Maatskaplike Komitee), and a communications unit known as KomKom, reported directly and indirectly to the State Security Council which was dominated by National Party members and a few officials.

POLITICIANS serving on the State Security Council included President P W Botha and Cabinet Ministers, Dr Neil Barnard, director of the National Intelligence Service, the Chief of the Army, the Commissioner of Police,

and the directors-general of the departments of justice and foreign affairs.

"The body is therefore highly political," said Mr Ross.

He quoted a works committee report which said: "The primary objective of the JMC system is to establish a countrywide management network which could defuse a possibly revolutionary climate."

Nothing could be more political than that, he said.

The report said the JMC system merely co-ordinated departmental action to reduce the revolutionary climate and to prevent unrest.

"I am not saying these functions are not sometimes necessary. Let us not bluff ourselves — our officials are involved in a highly political body."

MR Ross said the existence of the JMC system was not a secret. However its modus operandi was clouded in secrecy.

The network set its own goals and objectives. In the end, means of achieving these goals did not matter.

It worked hand-in-hand with the first, second, and third tier of Government on an official-to-official basis. This was particularly evident at the third tier — the direct-

ly elected representatives of various communities.

The JMCs had no funds to dispense and their secret hand was never visible. But money for "special projects" such as upgrading township infrastructures was made available through local authorities administering them.

If they had no money a Minister in the House of Representatives might well make the funds available.

Divisional Council officials served on the local branch without the council's approval.

The council had never sanctioned its officials' serving on the JMC or its subsidiary bodies, nor had it ever had reports from officials on how they, while serving the Divisional Council, were contributing to bring about "a reduction in the revolutionary climate".

"This is a serious matter. Serious because officialdom, serving on behalf of this council, is, I believe, usurping some of the responsibility we as councillors should be taking," he said.

THE works committee report claimed the JMC was involved in civil defence.

Mr Ross said the JMC dealt with security matters and had little to do with civil defence "and much to do with

the implementing by containment of PW Botha's response to the vision of a total onslaught against the Republic".

The Divisional Council was not serving on the JMC "for purposes of activating civil defence". Instead it had been co-opted by a secret system whose recommendations were scrutinised only by its masters.

Examining the JMC network in the Western Cape, he said the local branch was a fairly large body of about 60 people. The chairman was a well known and "controversial" figure, police divisional commissioner Brigadier Chris Swart.

The JMC met irregularly and most of its functions were carried out by three sub-committees, a joint intelligence committee (gesamentlike intelligensie komitee) (JIC), a constitutional, economic and social committee (CESC) and KomKom.

The JIC, which probably met once a week, was dominated by the security police, representatives of the National Intelligence Service, the police and army. Its objects were to identify possible local security threats and to co-ordinate a response.

"They are usually well-informed. I have no doubt that if a private and important United Democratic Front meeting were held in Cape Town, the JIC would be well informed about who were present, who spoke, and what was said. If there is a major political funeral, the JIC directs and decides tactics by the State."

At this point Mr L J Rothman, council chairman, said the Divisional Council was not involved with the JIC.

MR Ross said the JIC identified possible security threats and distributed information on a need-to-know basis to other JMC sub-committees. "They obviously distribute their reports upwards."

The CESC — on which the Divisional Council is represented according to Mr Rothman — was dominated by the Department of Constitutional Development.

"They examine things in local communities which they believe may contribute to a revolutionary climate and then make recommendations as to how this should be resolved," Mr Ross said.

Illustrating this point many of the roads in Grassy Park were untarred and badly damaged. Local community organisations could use this "to increase the revolutionary factor".

The CESC, however, would or could take steps to overcome the problem and in the process enable the Divisional Council and or management committees to discount the claims of "the revolutionary forces" and give legitimacy to the present participatory political organisations.

"The function of CESC has everything to do with the lowering of the revolutionary climate — a highly political act — and little or nothing to do with civil defence."

KomKom was dominated by the Bureau for Information. "It is their job to bolster the achievements of the present statutory authorities and to try to alienate the community at large from alternative structures such as the civic associations which have mushroomed in the Western

Cape."

IN addition there were numerous examples of anonymous disinformation pamphlets which attacked various organisations.

"Many, I believe, flow from recommendations by KomKom. I know that many anonymous pamphlets, posters, and stickers are printed in Cape Town ... not more than a stone's throw away from this building."

The three chairman of the three sub-committee formed an executive which probably met once a week.

Mini JMCs such as the local government committees gathered information for the JMC. The Divisional Council, management committee members, and others served on these smaller models of the JMC.

● Mr Ross, also a Cape Town city councillor, raised the issue in the City Council this week.

During debate on a R3-million upgrading programme for Bonteheuwel and Heideveld, he said the council's comprehensive plans for upgrading the areas had "fallen on deaf ears" in 1981.

There has been no negotiation with the council on the programme and funds had been made available "through very odd routes".

"Nobody disputes the need for this upgrading and I believe some of the motives of the people who serve on the JMCs may be very good and very well." However, the JMCs "could well be impinging on the authority of the council" and another level of government was being created, Mr Ross said.

/9274

CSO: 3400/647

GOVERNMENT PLANS FOR DEREGULATION OF ECONOMY VIEWED

Cape Town DIE BURGER in Afrikaans 13, 14, 16 Oct 86 [15 Oct not available]

[Report by Gerhard Cloete: "Deregulation Aids in Building Future; Ways of Deregulation; Economy must Determine Deregulation"; first paragraphs are DIE BURGER introductions]

[13 Oct 86 p 7]

[Text] Unnecessary bureaucratic red tape when a businessman joins the economy is something which, for a long time already, has caused discontentment in the business community. In the first of four parts, Gerhard Cloete of our economic editorial staff reports on the Government's solution for that problem and on what deregulation entails.

Deregulation currently forms an important part of South Africa's economic strategy for the future. This part of that strategy primarily deals with a problem which shows up very prominently in the current recession, namely the creation of work opportunity for a continually growing population.

Creating employment opportunity can furnish a big contribution toward stability and social order in the country. Especially during a recession, stability is threatened because of employment opportunities which vanish. In that context the Government has already started the ball rolling. On 5 November 1984 the State President asked the President's Council to advise him on the following matter:

Small Businesses Sector

"The design and initiation of a strategy and program of action to increase participation of the developing communities in South Africa in the private system of enterprise."

Following that request, a supplemental request was directed at the President's Council on 7 March last year to advise the State President on the following:

"Taking into account that which has already been done, [investigate] all regulations, standards, licensing requirements and conditions, as well as administrative red tape which may hinder economic development in general and

the small business sector in particular. This investigation must include all levels of government."

In that context, a report on a Strategy for the Development of Small Businesses and for Deregulation was submitted to the Government on 20 November last year by the Economic Affairs Committee of the President's Council. The report was written under the chairmanship of Dr F.P. Jacobsz.

According to that report, it is assumed that deregulation is the process which will eliminate controlling laws in order to facilitate entry into the market and competition in the economy.

Case studies by the committee showed that there is a real forest of regulations and legal requirements which potential entrepreneurs have to meet.

The number of regulations was so great that it was possible to include in the study only those requirements which turned up repeatedly.

Price determination based on realistic or true costs, increased production, and a decrease in exorbitant profits are seen as the result of the more competitive environment which would be created by deregulation.

Population Groups

The report further states that it started from the premise that deregulation would stimulate both the development of small businesses in particular and economic development in general.

An increase in economic growth and in employment opportunity would be the final result of deregulation.

Further, it was assumed that deregulation is of special importance in connection with the role played by race and by regulations based on differentiating between population groups in the restrictions on entering and participating in the economy.

The inquiry also showed that existing requirements sometimes can be applicable in general, sometimes are limited to certain areas, and sometimes apply only to certain population groups.

The committee came to the conclusion that /ex post/ control alone cannot preserve a proper balance between the public interest and freedom of private enterprise. Under it, the protection of the public is primarily based on common law.

Better results can be obtained by using a combination of /ex post/ control and minimum entry standards.

That approach essentially means that in reality there should be free entry, subject to /ex post/ control over previously determined minimum standards. Ultimately this would mean that minimum standards must certainly be met.

Non-Discrimination

The committee stated further that non-discrimination with respect to economic participation is taken to be a cornerstone of its approach.

The equivalence in the regulations with which businessmen from all population groups will be concerned, forms part of the philosophy of non-discrimination.

It was warned, however, that the principle of equivalence does not exclude the possibility of affordable standards for developing communities.

The right of ownership can serve as an example here. The credible acceptance of freehold for blacks must not result in leasehold being excluded as a less expensive alternative, according to the committee.

--Tomorrow the proposed procedures for deregulation will be looked at.

[14 Oct 1986 p 15]

[Text] Proposals on procedures for regulations and for what steps should be followed have already been made by the Economic Affairs Committee of the President's Council. Gerhard Cloete of our economic editorial staff discusses possible ways for deregulating the South African economy in this second part of a series on that subject.

Deregulation is everywhere regarded as one of the ways to straighten out the economy. This means essentially that in the shortest possible period one will have to eliminate or adapt rules, laws and regulations which have been established over many years.

Proposals on steps to be taken and on deregulation procedures have already been made by the Economic Affairs Committee of the President's Council.

They are in a report on a Strategy for the Development of Small Businesses and for Deregulation submitted to the Government.

According to the committee, procedures in that context would require already identified legislation to be modified as soon as the deregulation process gets going.

Continuity

Afterward it would be necessary to continually reexamine existing legislation and to judge the effect of proposed new legislation.

This must be done in order to ensure that deregulation becomes a continuous process which can react positively to existing and future circumstances.

In order to ensure continuous deregulation, a procedure would also have to be established in the initial phase to keep an eye on restrictive legislation.

Furthermore, procedures should also be established for the continuous revision and modification of legislation which possibly will be identified in the future.

Effect

The committee also was of the opinion that initially one should concentrate on specific modification of legislation with a curbing effect on small businesses, although deregulation ought to be applicable to all business activities.

The reason for that is that the effect of existing over-regulation can take on different forms in large and small businesses.

In the case of larger businesses, the effect is in many cases negative. Such enterprises are, however, well equipped--they usually have the needed personnel and infrastructure--to overcome over-regulation in the short term.

Small businesses, on the other hand, are particularly vulnerable to the high costs arising from over-regulation. These costs originate from the observance of procedures and laws through filling out forms and the time which has to be given to that.

More Complicated

In the initial phase it would also not be too difficult to identify policy regulations which are obviously unsuitable in the small business sector and especially in the informal sector.

Much of the existing legislation regulating the economy was established with large enterprises in mind. Thus it may be assumed that deregulation of large business enterprises will possibly result in complicated questions.

In the case of smaller enterprises it is not such a complicated process to identify--at least in the beginning phase--legislation which is obviously inappropriate for smaller enterprises.

The committee fears, however, that if the legal changes initially proposed should also affect larger enterprises, the problems which would surface, would undo any initial steps.

This implies, thus, that for legal purposes a difference must be made between larger and smaller enterprises.

As to the framework which can be created to facilitate a continuous deregulation process, the committee considered the following steps essential:

--Revision of all legislation on the central, provincial and local government level which is not specifically dealt with or deregulated at the start of the process;

--The effect of proposed new legislation on business development in South Africa;

Special Powers

--Performing a general monitoring function by linking all government levels, the private sector in general and small businessmen in particular and having them play a role in formulating policy. It must also be assured that deregulation goals are achieved.

The committee also expressed the opinion that, in order to ensure that deregulation takes place rapidly, special powers ought to be granted to the State President to enable him to postpone the enforcement of legislation until the next session of Parliament. Then matters can be properly considered by Parliament.

--Tomorrow the degree to which progress has been made with deregulation will be discussed.

[16 Oct 86 p 13]

[Text] In the last part on deregulation Gerhard Cloete of our economic editorial staff reports on how four big employers' organizations, a well-known economist and the KSOK [Small Business Development Corporation] feel about this subject.

The speed of any privatization and deregulation program must be determined by the ability of the economy to finance and absorb that program.

That is the opinion of four big employers' organizations, ASSOCOM, the African Trade Institute, the Federated Chambers of Industries and the South African Agricultural Union.

Those four organizations have set up a full-time task force which is studying privatization and deregulation. A joint memorandum on those two subjects was recently submitted to the Government.

The task force wants to create the necessary link with the government to help with the design of a strategy for privatization and deregulation. By that means priorities will be determined, goals will be set and a time schedule will be established.

Problem of Poverty

The four organizations say that one should realize there is a great need to tackle the serious structural problems which have arisen in the economy over a period of several years.

The shortcomings are a slow growth, insufficient investment by the private sector and the problem of poverty and inadequate economic opportunities.

"Privatization and deregulation can be used as important tools in countering those problems," the organizations say.

A prerequisite for successful privatization is that it ought to be coupled to planned deregulation.

The latter is the partial or total elimination or rewriting of the laws and regulations which hamper the effective functioning of the private sector in the production of goods and services which were formerly provided by the state. As an example the deregulation of transport is mentioned.

An appropriate strategy for privatization means a definite decision to change the role of the government in the economy and to redefine the relationship between the public and private sectors. The principal goals of privatization and deregulation are, in the eyes of the four entities:

- To decrease the upward tendency in state spending and the public sector's involvement in the economy, with an ultimate decrease of 20 percent by the year 2000;

- To decrease the costs of services for the taxpayer and consequently to help decrease the tax burden, broaden the tax base and increase income from taxes as the economy expands accordingly;

- To help the economy by increasing economic opportunities, expanding individual entrepreneurship, and spreading economic ownership;

- To benefit the consumer by means of greater competition, which will improve effectiveness and will ultimately lead to greater innovation; and

- To allow the market to meet the demands of individuals and the community with a minimum of intervention.

The four entities propose that a full-time and independent advisory council on privatization and deregulation be founded, composed of representatives of the state, the private sector, consumers' organizations and trade unions.

This council should be entrusted with the responsibility to determine which assets of the state or of semi-state entities should be leased or sold to the public, and in any event to recommend which procedures should be followed.

In the practical application of deregulation, matters come up for discussion such as where rest rooms are located in commercial premises, how high tiles and windows must be located, licenses, permits, the size of the building and the length of business hours allowed.

Even something like costume--for example the wearing of a white coat or a suit--sometimes can be unnecessary. Hospital services and the construction of roads and schools are also matters which come up for discussion in the decision to deregulate.

Dr Ben Vosloo, the managing director of KSOK, says there are already more businessmen who see the benefits of deregulation than is generally accepted. With certain regulations and procedures however, a long road still lies ahead.

He said that the number of queries about setting up a business by small businessmen has risen from about 2,000 per month at the beginning of last year to no less than about 16,000 at present. A third of those came from blacks.

Professor Jan Sadie, formerly of the Bureau for Economic Research at the University of Stellenbosch, says that the entire question of deregulation can be looked at from two sides--the informal and the informal side.

Bureaucratic Red Tape

"Deregulation ought to influence the informal sector in such a way that those people can feed themselves. It should help them stay alive by taking care of themselves.

"The purely bureaucratic red tape to which businessmen are sometimes subjected simply ought to disappear. At present many businessmen complain that too many papers have to be stamped before private initiative can go ahead," he said.

In other countries a so-called middleman is used to help businessmen in obtaining permission for certain projects.

It is thus the job of that particular person to go around and obtain all those "stamps" from the various state departments for the approval for a project. He serves as a contact between the government and the prospective enterpriser.

In South Africa there is no such profession, of course, and the businessman must do that job himself.

8700

CSO: 3401/25

DRAFT LABOR BILL PROPOSES NEW GRIEVANCE SYSTEM

MB191940 Johannesburg Television Service in Afrikaans 1800 GMT 19 Dec 86

[Text] A draft amendment bill aimed at simplifying and speeding up the resolution of labor-related disputes has been published in the GOVERNMENT GAZETTE today. The bill forms part of a report delivered by the national manpower commission.

The most important amendment contained in the bill is the establishment of a special labor court to consider appeals against decisions of the industrial court. These courts will have jurisdiction in all the provinces and will be administered by judges of the supreme court. Another important amendment is the simplification of procedure which will apply to the establishment of conciliation boards. These procedures will speed conciliation of disputes. Previously such a board had to be appointed by the minister of manpower. This is now being obviated. It places more responsibility on the two parties in the dispute.

A new concept called unfair dismissal, which refers to termination of an employee's services without a valid and clear reason and dismissal without reasonable notice, has been included in the legislation. The concept of unfair labor practice has been redefined and applies to practices such as racial, sexual, and religious discrimination, and activities which will promote or create labor unrest.

/9274

CSO: 3400/681

SOLDIER'S DETENTION MAY INVOLVE ESPIONAGE

MB140742 Johannesburg SAPA in English 0056 GMT 14 Dec 86

[Text] Johannesburg, 14 Dec (SAPA--A top-level police investigation is under way following the arrest of a senior South African Defence Force officer for an alleged breach of security which appears to involve espionage. The investigation is being headed by security police and, according to informed sources, could lead to more arrests and be extended to other countries. Police, they say, are following leads in a "painstaking" operation to establish as quickly as possible the extent of the alleged subversion. They intend to act swiftly on any information the officer may have disclosed while under interrogation. They believe they could lose the advantage if he is identified at this point.

Meanwhile, it has emerged that while Lt Gen Ian Gleeson, acting chief of the SADF, referred in a statement on Friday only to alleged subversive activity, there may, according to some sources, have been espionage as well. However, this could not be confirmed, and the nature of the charges likely to be brought against the officer, if he is brought to trial is not known.

He was arrested at Voortrekkerhoogte and is being held in Pretoria.

It is believed that some information about the alleged security breach was known to the SADF before the officer was apprehended and handed to the police. This was a result of SADF's own security network, considerably tightened in the wake of the Gerhardt espionage case which, initially, was uncovered by foreign security agents. In this case, the SADF was clearly in position to act promptly and efficiently, and was able to "rapidly trace" the activities of the officer concerned.

The officer's arrest comes only three years after German-born Dieter Gerhardt, former commandant of the Simonstown naval base, and his wife Ruth, were convicted of spying for the KGB. Gerhardt was sentenced to live imprisonment for high treason and his wife for 10 years for the same offence.

/9274

CSO 3400/681

NEW MILITARY BASE FOR VENDA DEFENSE FORCE

Pretoria PARATUS in English Nov 86 pp 18-19

[Article by L. Cpl D. R. Kneen and Pte D. O'Sullivan]

[Text]

A milestone was reached in the history of the Venda Defence Force (VDF) on 27 September 1986 when it received a new battalion base from the SADF.

And on the same day the VDF celebrated its fourth birthday with a spectacular parade which included a VDF Military Band display and skydivers which coloured the scenic Mutale Base.

The newly constructed base was formally handed over to Venda President Patrick Mphephu, by Brig Heron on behalf of the SADF.

In terms of an agreement between the Venda and South African governments the SADF Quartermaster General, via its Directorate Military Estates and Works, was tasked with the design and construction of the Mutale Base under the code-word 'Project Attic'.

Although the Mutale base has been home to the Mehenu Battalion since the VDF's inception in 1982, the base was previously little more than a wooden hut for the commander's office and a number of tents for housing battalion members.

The base was designed by the SADF QMG and then physically constructed by artisans provided by 5 Military Works Unit. In this way, the potentially high costs were halved and most of the available money was spent on materials, which alone amounted to R3-million.

Furthermore, the materials were chosen in such a way as to ensure maximum cost efficiency and thus the Venda Government could afford the base much sooner than expected.

For this contribution President Mphe-

phu approved the award of the Venda Defence Force Medal to seven men "for exceptional devotion in the execution of their duties with the building of the Mehenu Battalion base". They are: Maj P.J. Redelinghuis, WO1 A.S. Oosthuizen, WO2 J.H. Reynecke, S Sgt J.M. Beyleveldt, S Sgt C.J. Joubert, S Sgt G.L. Theart and Cpl D.S. Martin.

The Chief of the Venda Defence Force, Brig Steenkamp, awarded special certificates of appreciation to the members of 5 Military Works Unit who made positive contributions to the building of the Mutale Base.

Addressing the parade, President Mphephu said that without the men from 5 Military Works Unit the base would not have existed. "They were the artisans who carried out the physical work, who had to cope with the day to day problems. No problem was too big for this team. Great sacrifices were made by the men during the construction of the base.

"Some of the men came to stay out here in caravans with their families in order to be available on the job at all times; some married members, Citizen Force members and National Servicemen were separated from their families for months during the building of the base."

A project team appointed by the QMG kept overall control over the construction. For them, it meant countless trips to the base and taking many fast decisions as the buildings of the base progressed.

A commemorative scroll was presented to President Mphephu by Brig Heron, entrusting to the people of Venda the Mutale Military Base as a symbol of the trust and co-operation that exists between the peoples of the Republic of Venda and the Republic of South Africa.

"It is with certainty that I can say that all members of Mehenu Battalion are

pleased and grateful to receive and to use this beautiful base with its convenient facilities and buildings," said President Mphephu. "It will ensure that this battalion will in future be more effective and ready to combat the onslaught of ANC subversive activities in the Republic of Venda."

THE main aim of the Venda Defence Force is to conduct rural operations and support the Venda Police Force, according to the Officer Commanding the VDF's Mañenu Battalion, Lt Col G.J. Cloete.

"The troops in the VDF are also trained to conduct urban operations and to perform ceremonial duties for Venda State President Patrick Mphephu, who is also the Commander-in-Chief of the Defence Force and the Minister of Defence," he said.

Lt Col Cloete is one of the senior officers at Mañenu who has been seconded from the SADF to help upgrade the VDF into an experienced fighting unit.

The Officer Commanding the Venda Defence Force, Brig Steenkamp, said that the Permanent Force officers working at the VDF indicate the good co-operation between the two countries' Defence Forces.

"The Venda Defence Force has been built up from scratch. It will take time to build up a Venda Leader Corps, and that's where the SADF fits into the picture," he said.

"With our wealth of experience and expertise, we can train an efficient batch of leaders and gradually phase SADF personnel out of the VDF to make it a fully functional, independent defence force."

This plan has been very successful to date, with Venda troops now filling the position of section leaders and platoon sergeants. The platoon commanders are all SADF National Servicemen, but Brig

Steenkamp said these posts will soon be filled by Venda people.

THE next level of authority to be phased out will be company sergeant-majors, followed by platoon commanders. At the end of 1987, the first Venda company commander will be ready to take up his post.

Already, Venda troops have received their commission. The battalion's adjutant, Lt Elelwani Robson Mafheda, was recently promoted to the rank of junior officer. The lieutenants working in the QM, Transport and Personnel divisions are all Venda people.

The troops of the VDF gained tremendous experience from a stint on the Border. "The training of the VDF Infantry includes a 90 day visit to Ovambo in the Operational Area," said Lt Col Cloete. "Our first company went up to the Border from May to August and the experience gained was on all levels and strengthened the infrastructure of the Defence Force."

Already the VDF is capable of running various courses without the direct help of the SADF. The officers' course, NCO's course, mortar crew course, driving and maintenance courses are all done at Mañenu and at the VDF HQ in Sibasa. For the more advanced courses, the men are sent to the RSA. Lt Col Cloete said all courses will be run in Venda next year.

"We have just completed a military law course, of which I am very proud," said Lt Col Cloete. "All 11 candidates who took the course were successful and I would say it was of a higher standard than the advanced military law course on offer in the RSA."

Further co-operation between the SADF and the VDF takes place on a bi-monthly basis, when senior officers of the VDF meet with personnel from Far Northern Command and the Soutpansberg Military Area at Messina.

SINCE its inception in September 1982, the Venda Defence Force has adapted itself to meet the needs of a developing Venda nation which has resulted in its rapid growth and increased efficiency.

The first company of the Mañenu Battalion, under Maj Burger, was recruited in May 1982 from 112 Battalion Madimbo in the RSA. The Battalion HQ was formed under Lt Col Avis in January 1983 with the second company under Maj Wolff.

The Venda Defence Force obtained the ground for the base in May 1982 from the Thengwe Tribal Authority. In agreement with the SADF it was decided that the SADF would supply the know-how and Venda the finance for the erection of the Mañenu Base.

Mañenu is a short form for the name 'Mañenu Manana Misiph', which means 'those who cut across the muscles'. Mañenu was a brave battalion of the Tshihanane in the far north of the Soutpansberg in the days of Makhado Ramabulana and Mphephu Ramabulana, 1864-1924.

In 1983 the first group of 76 Venda recruits were trained by the VDF. In 1984, when Mañenu Battalion was commissioned at Mutale, another 150 recruits were trained and the first Venda officers started their training.

In 1985 all ceremonial duties were taken over from the VNF and another 200 recruits were trained. At present there is a fully fledged battalion with three companies, a training wing and all the necessary supporting services. The battalion also has its own unit emblem which consists of a shield on which a spear, battle axe, bow and arrow appear.

Since the earliest times the shield was used as a protection against attacks. It symbolises the safeguarding of the government, the country and the people of Venda.

The spear, battle axe and bow and arrow are the traditional weapons used by the Mañenu and symbolise that the enemies of Venda can be engaged at various ranges, from close quarter fighting to long ranges.

The tautness of the bow symbolises the preparedness of the battalion to act at any time — day or night.

/9274

CSO: 3400/647

UNIT COLOR FOR COMBAT SCHOOL

Pretoria PARATUS in English Nov 86 p 10

[Article by L Cpl P. B. G. Delmar]

[Text]

THE people of Kimberley paid the Danie Theron Combat School a great honour when they presented the School with its own Unit Colour recently.

Speaking at a parade to mark the formal handing over of the Colour, the Chief of the SADF, Gen J.J. Geldenhuys, said: "The strong bond of friendship between the community of Kimberley and the Danie Theron Combat School has now been formally forged." Gen Geldenhuys thanked the city of Kimberley for enthusiastically taking the School into its midst and helping it to expand and thrive.

The parade held on 20 September at Diskobolos, was attended by several hundred spectators, including the Deputy Chief of the SA Army, maj Gen D.R. Marais; the Chief of the Bophuthatswana Defence Force, Maj Gen H.S. Turner; Supreme Court judges, Members of Parliament and the OC Danie Theron Combat School, Col C.R. Bornman.

The Danie Theron Combat School was established at Diskobolos on 1 November 1967 as the Commando Combat School. The following year a decision was taken to rename it in honour of the commander of the Boer reconnaissance forces during

the Anglo-Boer War, Danie Theron. Since 1969 the School has formally been known as the Danie Theron Combat School.

In 1980 the SA Intelligence School was established as a neighbour unit of the Combat School and the two have enjoyed a close relationship since. The City Council of Kimberley took a decision to donate a unit colour to the school in 1983.

In his speech at the parade, Gen Geldenhuys sketched the history of unit colours. In the heat of the battle, many centuries ago, soldiers would often become separated from their own forces. They would then look for their colour and make towards it. Regrouped, they then fought on with renewed courage and esprit de corps. It has since become the custom for towns and cities to donate colours to their own regiments. The receiving of a unit colour is an important occasion in the history of any unit – and the Danie Theron Combat School is no exception.

On parade were a company of men from the Combat School and three companies from their neighbours, the SA Intelligence School. Their fine performance reflected the pride which they took in the occasion.

/9274

CSO 3400/647

SOUTH AFRICA

TROOP MORALE IN NAMIBIA SEEN AS HIGH

MB191932 Johannesburg SAPA in English 1915 GMT 19 Dec 86

[Text] Pretoria, 19 Dec (SAPA)--The End Conscription Campaign's [ECC] propaganda against the system of compulsory military conscription was not influencing the "boys on the border," the new deputy minister of defence, Mr Wynand Breytenbach, said tonight. Replying to questions at a press conference at the Waterkloof Air Force Base in Pretoria after a three-day Christmas visit to the operational area in SWA/Namibia, he said he also had this impression from national servicemen and citizen force soldiers he had spoken to recently at "home" units in the republic.

Asked, with specific reference to the mention by name of the ECC in the new press restrictions in terms of the state of emergency, whether the organization's campaign had had any effect on the SADF's morale, Mr Breytenbach said, "No, definitely not." He had made it his business to discuss this with the "men in the field" during his trip, and the impression he had was that "they act very positively against that sort of propaganda. In fact I have been requested by people doing their bit on the border not to allow the ECC to take root in our country."

Mr Breytenbach was accompanied on his trip, to most major bases in the northern part of SWA/Namibia, as well as Walvis Bay, by the chief of the army, Lt Gen "Kat" Liebenberg.

The deputy minister emphasized his trip had not been to speak to political leaders in the territory, and that he had not done so. The moral of troops in the operational area had never been higher, and they were prepared for the expected escalation in Swapo infiltration from Angola during the coming rainy season.

/9274

CSO: 3400/681

BRIEFS

MINISTRY SEEKS PROPAGANDA CLASSIFIER--Pretoria, 11 Dec (SAPA)--The Department of Foreign Affairs is looking for personnel to "classify raw material with regard to propaganda actions" and store this on computer. The department today advertised for staff for the job, saying it would pay up to \$26,730 per year for people with a BA degree and at least four years' "appropriate" experience. In an advertisement published in a Pretoria newspaper, the department said officers would have to: --select, assimilate and classify raw material relating to propaganda actions, and --store selected material on computer. Candidates had to be South African citizens and could work on a full or part-time basis. On enquiry, a spokesman for the department explained that the use of the word "propaganda" in the advertisement was unfortunate. "The Department of Foreign Affairs is not engaged in propaganda as the phrase is normally understood. The officials in question would be involved in normal information and image-building projects overseas," he said. [Text] [Johannesburg SAPA in English 1631 11 Dec 86 MB] /9274

TERRORIST ATTACKS AGAINST POLICE--Durban, 11 Dec (SAPA)--About 60 of the 200 incidents of terrorism in the first 10 months of 1986 were directed at the police, Lt Gen J. H. Visagie, chief deputy commissioner of the police, said in Durban today. Speaking at a passing-out parade of Indian members of the force, Gen Visagie said the number of attacks on the police was about twice the number directed at targets that could harm the economy and almost twice as many as had been directed at political targets. He said that, since the state of emergency was introduced on 12 June 1986, there had been a "remarkable suppressive effect" on unrest. However, terrorism, which was intensified by persons and organisations hostile to the government, still existed. Gen Visagie said that of the 200 acts of terrorism, 24 had been on "so-called hard targets" such as military or police installations. The remaining 176 incidents involved "soft targets"--unprotected women and children, farmers and shoppers. [Excerpts] [Johannesburg SAPA in English 0106 GMT 12 Dec 86 MB] /9274

SAAF JET FIGHTER CRASH--Pretoria, 18 Dec (SAPA)--A South African Air Force [SAAF] Impala jet fighter crashed near Hammanskraal, north of Pretoria, yesterday but the pilot ejected safely, a SAAF spokesman confirmed here today. He added the aircraft had crashed during a "routine flying exercise" and that a board of enquiry had already been convened to investigate the accident. According to a Pretoria newspaper, the jet fighter, piloted by a Captain Lubashagne, crashed on the farm Groenfontein, belonging to Mr Pieter Wolfaadt in the Cullinan district, shortly after noon. [Excerpt] [Johannesburg SAPA in English 1010 GMT 18 Dec 86 MB] /9274

PSCU ON PLANS FOR IMPLEMENTING EFFECTIVE URBANIZATION STRATEGY

Johannesburg CITY PRESS in English 7 Dec 86 p 23

[Article by Z.B. Molefe]

[Text]

FOR a year a number of prominent black and white South Africans have been looking at a program of political and economic reconstruction that will enable South Africa to move into a desirable future.

This is a program that will enable South Africa to effectively implement a new urbanisation strategy as a major component of national and political reform, the group said in Johannesburg when its year-long work was unveiled.

These personalities have been working hand-in-hand with an alliance of the Afrikaanse Handelsinstituut, the Association of Chambers of Commerce (Assocom), the National African Federated Chamber of Commerce (Nafcoc), the Chamber of Mines, the Steel and Engineering Industries Federation of SA (Seifsa) and the Urban Foundation (UF).

These community and business leaders, who are members of the program's Private Sector Council on Urbanisation (PSCU), include churchmen Bishop Manas Buthelezi and Rev Cecil Begbie; educationist and senior Wits University tutor Tham-sanqa W Khambule; Black Housewives' League president Sally Motlana; business people Sy Kutumela and Marina Maponya; UF executive and former newspaper editor Obed Kunene; Soweto Funda Centre coordinator Lebamang Sebidi; Educational Opportunities Council deputy director Buti Thlagale and Anglo-Vaal manpower director Wells Ntuli.

Immediately after its formation, the PSCU focussed on eight key areas, where its work would be concentrated. These were:

- Commitment by the government to abolition of influx control before opening of Parliament 1986;

- A halt to all shack demolitions, forced removals and freezes on urban growth;

- Government should develop an urgent process for the acquisition and servicing of land at affordable standards for expansion of existing urban areas and establishment of new urban areas;

- All relevant authorities should be instructed to facilitate the development of informal housing at affordable standards;

- Under-utilised facilities should be re-allocated or opened to all races;

- An urgent program at all levels of government to lift barriers to informal sector activity; and actively encourage growth within the informal sector;

- An urgent reassessment of the 1982 white paper on industrial development strategy; and

- Reassess the 1913 and 1936 Land Acts.

The PSCU, from the outset, argued that though this year witnessed a most significant piece of reform – the abolition of influx control – its success rested on three issues which had to be resolved simultaneously:

- The restoration of citizenship to residents of the TBVC (Transkei, Bophuthatswana, Venda and Ciskei) countries;
- An end to squatter removals; and
- An end to the forced removal of settled communities.

The PSCU's powerhouse – its working groups – met 18 times during its year's work and the groups involved 118 people.

Its research has involved 100 academics countrywide and included international expertise

from Britain and America.

This had yielded 100 research papers.

"At the beginning of the year when the PSCU executive outlined what it wanted to do," said UF's Urbanisation Unit head Anne Bernstein, "I felt very uncertain that we could achieve so much in such a short period."

"I think it is now fair to say that the PSCU is up, it is moving and as an operational entity, it is a growing concern"

In a nutshell, the PSCU sees its role thus:

"It would appear to be an urgent necessity that a process be established through which private sector leaders and representatives can raise policy issues in debate with government at the most senior level."

PSCU Spell Out Four Points

WHEN the PSCU unveiled its work it spotlighted four critical areas that colour the South African landscape.

These were:

□ Restoration of South African citizenship: "From the outset, the PSCU warned that along with the abolition of influx control, a number of other issues needed to be resolved simultaneously in order to make the influx control reform effective.

"The South African government should, as a matter of urgency, announce that all citizens of territories which were formerly part of the RSA will henceforth also be citizens of the Republic unless they formally renounce South African citizenship.

"The government should in the interim grant appropriate exemptions in terms of the Aliens Act to make the position of TBVC citizens equivalent to that of South African citizens"

□ Rural development: "The Land Acts of 1913 and 1936 contain racially discriminatory provisions which inhibit rural development and economic growth.

"Rural development is a national priority and it is not yet afforded that status in national economic and development priorities.

"An urgent enquiry should be launched into the legislative changes needed in order to free the rural market for land, labour and capital of all racially discriminatory constraints"

□ The present crisis: "In many ways and in many areas, the present system of local government as it affects black people is in crisis.

"As the World Bank has argued 'the best urban policies will come to nought unless there are institutions capable of giving it effect'.

"The present institutions of local government affecting black people lack community legitimacy and economic viability and will be unable to deliver.

"What is required is a recognition of these realities and a determined effort to engage in local level negotiations to devise constructive solutions and community-backed institutions of local government.

"The research evidence from regions all over the country, in particular the Eastern Cape and the Pretoria-Witwatersrand-Vereeniging region, suggests that leaders of all community-backed black organisations may be willing to negotiate on local issues.

"Frequently in defiance of the uncompromising public stance of

the national organisations to which they are affiliated.

"The continued detention of some of this leadership remains a significant inhibiting factor in developing a meaningful negotiation process."

☐ Forced removals of communities and the demolition of shack settlements: "The government should reaffirm that no further forced removals of settled communities will take place and 'black spots', townships and communities which were previously considered for removal will no longer be subjected to threatened removal in any way.

"The recent announcement of the resettlement of over 1 400 families away from Brits to a township 25km further out of town is an urgent example of the need for a clear and consistent policy in this regard."

CSO: 3400/663
/9317

NATAL UNIVERSITY ON PLIGHT OF BLACK WORKERS ON WHITE FARMS

Grievances Aired at Meeting

Johannesburg THE STAR in English 9 Dec 86 p 9

[Article by Claire Robertson]

[Text]

Last year farmworkers in the Western Cape earned an average of R32 a week.

This was revealed at a gathering of welfare, community and trade union organisations earlier this year, Natal University's *Indicator SA* says in its latest edition.

Grievances aired at the meeting include:

- Wages of between R15 and R50 a week.

"In 1985 farm workers in the Western Cape earned R32 a week on average. Sometimes wine is regarded as part of the wage, although payment in the form of alcohol is illegal. There is no law against freely dispensing liquor to workers."

- Housing is tied to employment and "is used to control workers".

"The farmer pays lower wages on the grounds that he provides housing. Yet members of workers' families living on the farm but working elsewhere usually have to pay rent. At harvest time

they are usually expected to help on the farm, and sometimes lose their town jobs in the process."

- Worker organisation is hampered by the farmer.

"The farmer's readiness to invoke trespass laws makes it difficult for unionists to get on to farms to recruit members. Workers may face dismissal or victimisation for attending meetings off the farm or for seeking legal advice."

- No provision is available for the care of children.

"Yet employers expect young women to work on the farm if needed.

The male head of the family contracts verbally with the farmer for the entire family. Females are on 12-hour standby at harvest time."

- Working conditions are not controlled by law.

"Farm workers are specifically excluded from most labour legislations which means there is no legislated minimum wage, paid leave provi-

sion, hours of work, sick leave, unemployment insurance fund, etc."

- Education is below standard.

SCHOOLS FEW

"Schools are few and children walk long distances to get to them. Teachers are often not properly qualified. Children are frequently expected to work on the farm instead of going to school."

- A vicious circle of debts controls worker.

"Workers often have no option but to buy at farm shops where goods are more expensive. They run up substantial debts and are unable to leave the farm, or must have their debts transferred to the new farmer employer.

"Focusing on the specific problems of farm labour, the grievances aired at the meeting have an authenticity born from the experience of working closely with these people over a long period," the *Indicator SA* report says.

Alcohol Used as Payment

Johannesburg THE STAR in English 9 Dec 86 p 9

[Text]

Indications are that more than 70 percent of workers on wine farms are compulsive or heavy drinkers — and this cannot be separated from the use of alcoholism as a means of workforce control, says a Western Cape Black Sash field worker.

Mr Philip van Ryneveld, writing in a Natal University publication, says paying workers with alcohol, though banned in 1962, still exists in effect as a fringe benefit.

He writes: "Euphemistically named the 'tot' system or *dopstelsel*, it involves distribution of reject wine (*mos*) to workers on a systematic basis — sometimes as much as two litres a day.

"In some instances, workers are given wine at the end of the day only, perhaps one bottle. But *dop* is sometimes given more frequently — *invalidop*, *brekfisdop*, *teedop*, *lunchdop* and *tshaila dop*. Farm labourers in the region consume about 3 percent of the wine crop in *dop*, though quantities are reducing under pressure from the Agricultural Union."

EFFECTIVE FORM OF DISCIPLINE

Mr van Ryneveld says farmers are "reluctant to abandon the system, as withholding *dop* is an effective form of discipline, while giving extra *dop* is a cheap means of reward".

"The strongest weapon the farmer wields is arguably not termination of employment but the order to vacate the house," Mr van Ryneveld says.

"On dismissal or retirement, the worker and family may find themselves not only without a livelihood but without accommodation, the community of fellow workers and access to education for the children."

Farm Villages Proposed as Solution

Johannesburg THE STAR in English 9 Dec 86 p 9

[Text]

A researcher at the University of Natal's Development Studies Unit has proposed farm villages as a solution to the almost total dependency of farmworkers on their employers.

"The repeal of the Group Areas legislation and the creation of farm villages throughout the countryside could have the effect of enabling farm workers to join the mainstream of the nation's life," writes research fellow Ms Libby Ardington in the Spring edition of Natal University's Indicator SA publication.

CINDERELLAS

She says farm workers are excluded from labour legislation in South Africa and without worker rights their almost total reliance on the goodwill of the farmer often leaves them in poor housing, far from medical services and trapped in poorly paid jobs.

"Black children on commercial farms are 'educational Cinderellas'," Ms Ardington says.

There is no system for educating African youth on farms, she points out, there is merely a method for the Gov-

ernment to subsidise education if the farmer provides facilities.

This education is usually restricted to primary education and until recently it was impossible to get permission for a farm school to go beyond Standard 5.

High schools are often impossibly far from the farms, and travelling and boarding costs prove prohibitive.

"The creation of farm villages would encourage and enable the State to provide schools, medical and recreational facilities on the same basis it does for other citizens," Ms Ardington suggests.

At present a catch-22 situation exists in that there is little hope for these children to be absorbed into their farm's workforce — "there is widespread concern about employment prospects for the 50 percent of the farm population who are under the age of 18" — yet their residence on the farms often denies them the education that would enable them to get employment elsewhere.

Farm villages might increase opportunities for generating income, "partic-

ularly from sources which are independent" of the farmer.

"Existing farm housing is undoubtedly inadequate and unsatisfactory," Ms Ardington points out. On some farms no housing at all is provided and workers are expected to erect their own shelters.

The repeal of the Group Areas Act would open up to black people land previously restricted to white ownership. For the majority who are without the means to operate landholdings of more than 50 hectares, perhaps suitable tracts of land could be obtained, subdivided and then made available, she argues.

REDISTRIBUTION

"If such land were to be allocated in areas adjacent to farm villages, these new settlements could house and serve farm workers from large commercial farms in the area.

"The costs of redistribution would be significantly reduced if housing, water, electricity and basic amenities were provided from one place rather than distributed one by one to each plot of agricultural land."

CSO: 3400/663
/9317

ANC ACTIVIST DISCUSSES ROLE OF WOMEN IN LIBERATION STRUGGLE

Johannesburg WORK IN PROGRESS in English Nov/Dec 86 pp 10-14

[Interview with Frene Ginwala, activist in the ANC Women's Section in London; date and place not given]

[Text]

What is the history of the ANC Women's Section?

Before the ANC was banned, the ANC Women's League was active in South Africa. After its banning, a separate Women's Section was set up in the 1960s as part of the external mission. Like the ANC after 1969, this includes women of all races - every women member of the ANC is also a member of the Women's Section. Women operate within the organisational structure on the same basis as other members, but also work within the Women's Section.

The Women's and Youth Sections are two major ANC departments. The Women's Section is responsible for organising South African women in the liberation struggle and organising international support for this struggle especially among women.

What do you regard as 'women's issues'?

We do not see these as isolated from national and social liberation. Too often they are taken to mean only the liberation of women. Some of us would argue it is equally necessary to liberate men: men with chauvinistic attitudes indicate political backwardness.

The responsibility of the liberation movement is to raise all members' political consciousness, so it must deal equally with men's and women's attitudes. In the liberation struggle, we see women's liberation as something for the whole organisation to deal with. The leadership explicitly recognises that this is the task of men and women - not something women alone can do. In an official ANC publication it was stated that: 'We must start now (if we have not started) to free ourselves from "male chauvinism" and its counterpart, "feminism" '. Can you explain what this means?

This acknowledges what I have just said. It might be preferable to refer to Western feminism, rather than feminism in general. Unlike some Western interpretations of feminism, the ANC does not see women's liberation in isolation from other forms of oppression in society. If an entire society is oppressed, then to talk of women's liberation in isolation is negative.

In South Africa, the prime issue is apartheid and national liberation. So to argue that African women should concentrate on and form an isolated feminist movement, focusing on issues of women in their narrowest sense, implies

African women must fight so that they can be equally oppressed with African men.

National liberation addresses many issues. What guarantees are there that the liberation of women, the question of male chauvinism as you put it, does not get lost or postponed in the struggle for national liberation?

There is no guarantee in the national liberation struggle. The only guarantee is for women to be involved and make sure their demands are forcefully raised and dealt with.

There will never be guarantees, even if clauses are written into constitutions. The danger exists that the issues will not be taken up. This happens in every society. But one must look at organisations' stated policy and objectives.

In the liberation movement there is stated policy which encompasses the liberation of women. This is not just in the form of additions to other policies, or throw-away statements. For example, before the 1985 Nairobi Women's Conference, the ANC and SWAPO presidents pledged that they would not consider their objectives achieved, the task completed or the struggle at an end until the women of South Africa and Namibia are fully liberated.

Women's liberation is an integral part of the liberation struggle. It is not something that will be done after liberation, and it is recognised that the liberation process will not be finished until women are liberated.

This is an excellent stated position, but it is wrong to say all you need is this sort of declaration. Many women all over the world live in countries where there are excellent stated positions, yet they are still not represented in positions of leadership.

I believe that liberation can only be achieved by women themselves, by getting involved. They must use the stated positions of their organisations to move

and pressure. Women's participation in the struggle will enable them to raise issues, put these on future agendas and bring about solutions. The strength of women's organisation will determine how and when women's emancipation takes place.

Turning to the Women's Section: how does it operate, and how is it linked to the ANC?

Women are members of the ANC and the Women's Section, and participate fully and equally in the various branches of the ANC. A full-time functionary in a particular department is part of it, but in addition gains strength from belonging to an organised women's section. The head of the Women's Section is an elected member of the ANC National Executive Committee (NEC), but there are other women also elected to the NEC.

There are women representing the ANC in a number of countries. The first women in this capacity was the chief representative in Lusaka, Gertrude Shope, who is now head of the Women's Section. At present there are other women chief representatives in Sweden and France. A previous United Kingdom chief representative was a woman.

It would be false to say this reflects in any way the full potential or talent of women in the ANC. The point is this indicates what is possible.

Are the women on the NEC voted in by the Women's Section?

No, the national conference elects the entire NEC. The Women's Section has its own appointed secretariat which is responsible for issues that affect women, how women are to be organised and ways to develop women's skills. Each region has a women's section which includes all women ANC members in that region who elect the regional women's committee.

Does the Women's Section formulate policy?

Yes. It has had a few women's conferences and the policies formulated there feed into the national movement. But national conference and the NEC are the ultimate policy making organs.

What kinds of issues have come up most recently?

The Women's Section aims to get support for women as well as the whole liberation movement. For example we have given evidence to the United Nations Human Rights Commission on how apartheid affects the lives of African women; the condition of women political prisoners, torture etc. In addition we participated in the Nairobi Conference. In January there will be a conference in support of the ANC. It will be organised by the National Assembly of Women in the UK and supported by the Women's International Democratic Federation. The Women's Section liaises with women's groups, women's sections of political parties, and trade unions.

In the organisation itself we struggled to make sure there were always creches at meetings. This is now the case, and is policy. This may seem unimportant, but ANC women cadres in Western Europe do not have supportive family structures to help with childcare.

Was this a battle?

Not really - it was a question of pointing out its importance, then dealing with practical aspects. We have now established creches so that full-time ANC functionaries can be fully active. In Tanzania we have a creche where women cadres of the ANC can go to have children. They can stay there for up to two years, then can leave the child there while they go back to their duties. There are also creches in Lusaka, because it is not ideal for women to leave their children.

This has meant that as far as possible the organisation has taken on some

responsibilities so that women can operate fully in the ANC.

What about other projects or programmes of concern to women?

The Women's Section pays particular attention to training opportunities. Whenever there are training opportunities or scholarships we try to ensure women are considered. The ANC gets a lot of support for training refugees, and we make sure women are chosen. We have also taken up the issue of birth control and family planning for young women.

Would the Women's Section run workshops on these issues?

Not workshops as such. We make sure there is education and advice available, but these issues are not dealt with separately. Family planning concerns men as well as women, and there are general discussions about this.

At what level do these issues come up?

They would be discussed at the Solomon Mahlangu ANC school at Morogoro for example, and wherever there is a concentration of ANC cadres.

Women need a more supportive structure in the general society. In environments where this is not available, it is provided. We have also looked at questions of racism and sexism in the learning process, and go through some texts and rewrite others.

Has the question of sexism or chauvinism ever been debated or brought up within the ANC itself?

Yes, of course. Policy is clear and everyone agrees these questions must be considered. But how this gets worked out in practice and what it means must continually be impressed on members. It must be stressed both to men and women, because often women will say they are not oppressed.

Both women and men must be politically educated to realise that women's emancipation is part of the liberation process, that it cannot wait, and that women's emancipation will not develop automatically if apartheid is destroyed.

These debates are included in some of the official documents and publications. Some people say these issues should not be discussed publicly, and are quite critical. But we feel they must be raised.

How does the political education process take place?

These issues arise in political education classes and in discussion within the organisation. The ANC declared 1984 the Year of Women. There was a great deal published and the classes focused on these issues.

At the last National Conference there was a specific paper and discussion on women. Statements called for more attention to be focused on women's issues, and emphasised that the end of the United Nations Decade of Women, marked by the Nairobi Conference, did not mean the end of the struggle for women's emancipation. The struggle for the active and conscious involvement of women must continue.

But how do you ensure conscious involvement. Is it enough to just mobilise women?

This varies, depending on the number of members who are fully conscious and raise these issues. We include women's issues as part of any formalised political education taking place in the movement and in its schools. Outside formal educational structures issues are raised by members themselves. We recognise you cannot effectively mobilise women into the national liberation struggle unless you address women's demands.

In one ANC publication it was argued that women have to be organised both

generally and specifically. What does this mean?

While it is important that women are ordinary ANC members, there is a very specific women's element to oppression which will not just naturally work itself out through national liberation. It is something which must be focused on and this is recognised within the ANC. The Women's Section has the crucial responsibility of ensuring that women's views feed into all aspects of national policy and drawing the world's attention to South African women's issues.

Would you say that the separate organisation of the Women's Section enables it to play this role?

If you are organised as women you can work out issues and see them more clearly. It is one thing to know theoretically that women are oppressed, but it is another to comprehend how this oppression actually affects you in your day-to-day-life.

So it is necessary to formulate strategies to overcome that oppression and to relate this to national liberation. This is something women in organisations like the Women's Section have to do. Men can comprehend this oppression intellectually but because women experience it, it is different.

Women's liberation in South Africa cannot be achieved outside of the context of the liberation struggle. And the question of women's liberation will only be taken up to the extent that women are involved in national liberation. But a problem arises because there is a tendency to see the two as separate. We have struggled to make it clear that these are not two separate issues. They are different facets of the same issue and therefore at all stages have to be seen as a whole.

Now we do not kid ourselves and say that because we understand this, the problem is solved. It is an ongoing process to be dealt with at all times. If, for example, you talk about forced

removals, you must ask what this means for women?

Have a younger generation of women in the ANC raised new issues?

To some extent their involvement has made the task easier. The issues were always somewhere on the agenda but the activity and participation of younger women has raised the debates very clearly.

If older women did not have an awareness and consciousness of women's issues a conflict situation between the generations may have emerged, but this has not happened. Women active in the 1950s worked out a highly articulate and relevant programme in the Women's Charter. These demands were integrated in the Freedom Charter.

What do you think is specific to women in South African society?

People often ask why pick on South Africa when there are so many other oppressive systems? But apartheid is unique in its oppression of women. It is one of the most institutionally-organised systems of oppression which has horrific consequences in terms of women's rights, health and social conditions.

South African women have a rich history of struggle. But this strength needs to be channeled. Women are not as much in the leadership as they need to be and this must change. And the liberation movement must stop pretending that women have the same opportunities as men. The organisation is confident enough of its policy to be able to say this publicly and address itself practically to the issue.

Women must also stop behaving as if there is no place for them above certain types of work in the organisation.

But women are also oppressed by their own men, not just apartheid. Yes, it is not only apartheid but questions usually focus on the oppression of women in black society. One must also ask how liberated white South African women are within their own social and cultural environment? Where is the writing on the oppression of white women in South Africa? We have not seen it.

People tend to focus on black society. White women should realise their liberation lies with the national liberation movement. For it is the only organisation in South Africa, black or white, which deals with the issue of women's liberation in its proper context.

What sort of South Africa do you envisage for women after liberation?

A lot depends on how we get there. When apartheid is destroyed and there is a government based on one-person-one-vote in a unitary state, this will not automatically mean that women are adequately represented at decision making levels, or that women's rights are fully achieved.

We have a long task ahead of us, but hopefully we can lay the foundations for women's emancipation and remove the institutional problems. After liberation we will still have the problems of education and attitudes among men of all races. That is part of the political education process which we have to continue.

/9274

CSO. 3400/643

GIRL ADMITTED TO HOSPITAL AFTER ALLEGED POLICE ASSAULT

Johannesburg THE STAR in English 11 Dec 86 p 6

[Article by Jon Qwelane and Beledé Mazwai]

[Text]

Yesterday, exactly three months after she was detained on September 10, Thelma Lindi Nzondo was supposed to undergo an operation to her rib cage at Leratong Hospital in Krugersdorp.

Her mother, Mrs Priscilla Nzondo, last night said she knew her 15-year-old daughter was to have the operation — but nobody from the South African Police or the Prisons Department had contacted her to inform her about the proposed surgery or to ask her permission that it should be carried out.

"In fact, nobody even came to inform me that my daughter was seriously ill. She was detained at her grandmother's home at 3 am.

NOT AT HOME

"I was not home at the time and the detention order the police came with was handed to my son Charles, himself a policeman now stationed in Soweto, and he signed it. Then they took Thelma away," said Mrs Nzondo.

The detention order, which reporters read last night, was issued in terms of the emergency proclaimed on June 12 and stated that Thelma was being held in Krugersdorp.

Yet her mother had traced her to the Diepkloof Prison in Johannesburg.

"On November 9 I went to Leratong Hospital to visit a friend who had been admitted there.

"By a strange coincidence I saw my daughter in Ward 14, and she told me she had been beaten outside the cells, and the beating had resulted in her being taken to hospital. She had been admitted the day before and was under police guard.

"She complained of a pain in the area of her rib cage. She was then returned to Diepkloof Prison where I saw her on December 1," Mrs Nzondo said.

It was then her daughter informed her she was to be returned to the hospital yesterday for the operation, but by last night she did not know if the operation had been performed.

Mrs Nzondo said she would not have agreed to sign permission for her daughter's operation until she knew fully why it was necessary and what had caused Thelma's injuries.

A letter written about Thelma on Tuesday by the National Institute for Crime Prevention and the Rehabilitation of Offenders and sent to the Detainees Parents Support Committee, was seen by reporters yesterday.

It said in part: "Thelma has apparently been assaulted and needs an operation to repair broken ribs. It would be appreciated if you could refer her (Mrs Nzondo) to legal assistance."

Yesterday the matter was referred to the Bureau for Information for comment. The bureau referred The Star to the police. A telex was sent to the SAP Directorate for Public Relations for comment on the case. No reply has been received.

CSO: 3400/666
/9317

BOY ALLEGES ASSAULT, TORTURE IN POLICE CELLS

Johannesburg THE STAR in English 11 Dec 86 p 6

[Article by Beledé Mazwai and Jon Qwelane]

[Text]

What is life like for a boy of 11 years old, held without trial by the police?

William Modibedi (11) is a Kaggiso, Krugersdorp, schoolboy who has just been released from detention. He has few words to describe what it is like inside the cells: when asked to recount his experiences over the last two months when he was away from home, he indifferently relates what happened to him.

'Forced to stand'

But, pressed to be specific, he cries.

William alleges that he was forced to stand for lengthy periods during interrogation at Roodepoort Police Station, and that the same happened at Krugersdorp Police Station where he was interrogated again.

He says that in Roodepoort four of his teeth were knocked out by a black policeman during interrogation.

"I was later led to a darkened room where a light bulb was switched on and I was forced to stare at its glare. I stared at it until I felt dizzy. Even with the light on, the room somehow remained dim.

"On October 27 I was transferred to Krugersdorp Prison, called 'Berg', and two days later I was taken to Krugersdorp Po-

lice Station for further interrogation. When I arrived there I was handcuffed and put in leg-irons, and then subjected to electric shocks.

"They put a dummy into my mouth, and the dummy had wires connected to it. The wires were connected to a socket in the wall, and when a policeman turned on the switch I experienced a jarring effect. I also felt excruciating pains in my head," said the Std 2 schoolboy who was detained on October 3.

He said the reason he was being tortured was to force him to sign statements admitting he had attacked three delivery trucks with petrol bombs. He was also forced to incriminate himself concerning an incident of "necklacing".

"Because of the pain, I signed the statement," he said.

Some days later he was taken by the police to a mortuary where he was forced to look at dead bodies. This happened on two occasions, once in the morning and the other at night.

William says that a policeman also pushed him down a flight of stairs.

His two sisters Elsie (18) and Sophie (15) and brother John (16) are still in detention.

Elsie was the first to be detained in July, John was picked

up some weeks later and William and Sophie were detained together in a dawn raid on their home in October.

Elsie and John are being held in the Diepkloof Prison, Johannesburg, and Sophie is in Roodepoort.

Last night The Star took the boy to a psychiatrist, and the two spent over an hour together.

Time to readjust

Later the doctor, who cannot be named for professional reasons, said he would not say yet that William's condition was post-traumatic stress syndrome.

The doctor agreed, however, that the kind of experiences William had allegedly undergone in prison could have a lasting effect on him. The boy would probably readjust to home life at a faster pace if his detained brother and sisters were released to be with him.

But there was a possibility William's condition could be adversely affected by the stories he and his siblings exchanged of their experiences in the cells.

Last night the SAP Directorate for Public Relations was asked to comment on the allegations made by William.

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/9317

FIRST BLACK MINING ENGINEER GRADUATES

Johannesburg BUSINESS DAY in English 9 Dec 86 p 9

[Article by Cherilyn Ireton]

[Text]

THE first black mining engineer graduates from Wits University tonight, but government legislation will prohibit him from working as a miner in SA.

The Scheduled Person definition in the Mines and Works Act will block graduate Patrick Rangwetsi from obtaining a blasting certificate — a pre-requisite for entry to mine management.

The discriminatory clause, which prevents advancement to skilled jobs, is expected to be removed early next year. However, until the definition is scrapped, Rangwetsi will have to undergo training at one of the homeland mines of his employer, Johannesburg Consolidated Investments (JCI).

JCI director Jeremy Nel said: "The scheduled person's clause was not a problem in terms of Rangwetsi getting his degree. But we were constantly aware that it would raise its head once he had graduated."

JCI sponsored Rangwetsi's education after spotting his "obvious potential" during training courses at Rustenburg Platinum mines, where he was employed for a number of years.

His practical postgraduate training will take place at either JCI's Atok mine or one of its Bophutatswana mines.

Graduating along with Rangwetsi are the first four black candidates for BSc (Engineering) degrees in metallurgy, materials and surveying.

Another pioneer is Gavin Foley, who will become the first Wits graduate to obtain a BSc (Eng) degree in mine surveying.

At the ceremony, Professor Desmond Midgley, SA's leading authority on hydrology and water resources, will receive the honorary degree of Doctor of Science in Engineering.

In all, the engineering faculty will confer 148 degrees, 42 higher degrees and 54 postgraduate diplomas.

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SARHWU GENERAL SECRETARY ON UNION ORGANIZATION

Cape Town GRASSROOTS in English Dec 86 p 7

[Interview with Ntai Sello, general secretary of SARHWU; date and place not given]

[Text]

NTAI SELLO was recently elected the General Secretary of SARHWU. GRASSROOTS spoke to him about the union and his experiences in organising the SATS workers.

GRASSROOTS: WHEN WAS SARHWU FORMED?

NS: SARHWU has a very long and proud history. It was first started in 1936. Many brave leaders such as Moses Mabhida, Archie Sibeko, Curmick Ndlovu struggled to organise the railway workers. It was a strong union – but in the sixties the government managed to crush the union by imprisoning many of its leaders.

In 1976, the workers again struggled to form the union. They were led by Lawrence Ndzanga, who had also been involved before. He was detained, and died while in detention in 1977.

For a time, the union was set back. Then, in 1983, GAWU and MGWUSA helped to start the union again. Now, we have launched the national union. We have branches all over South Africa. We are a member of COSATU. SARHWU is strong again and this time we will not be defeated.

GRASSROOTS: HOW DID YOU GET INVOLVED IN THE UNION?

NS: I was working on the railways, for four years. I could see the suffering of my fellow workers, and I wanted to find ways to fight this thing.

I was detained 3 months in 1983. When I was released, SATS did not want to take me back. But I fought my case and I was reinstated. But then, they wanted to transfer me to some small town. Also, I was having trouble with the foreman, they were threatening me.

So I left SATS. But I did not leave the railway workers. I am determined to fight for the rights of the workers. Because I have been a worker and I know how they suffer.

GRASSROOTS: WHAT ISSUES IS THE UNION FIGHTING FOR?

NS: The workers experience many hardships – their wages are very low, conditions are dangerous. The foremen are racist and treat the workers very badly. There are many unfair dismissals, and so on.

We are planning to fight all these things for the workers. And we have taken up some cases of victimisation and unfair dismissals.

At the moment, we are busy with a national campaign against the Staff Association. Many work-

ers are resigning from the Staff Association – now we want them all to resign together. This means that workers will not be victimised for resigning.

GRASSROOTS: SARHWU IS A MEMBER OF THE UDF. WHY DID THE UNION JOIN UDF?

NS: You see, its like this. We fight for the workers to get higher wages, on the factory floor, right? But then we see they are robbed of that money. They are robbed by high busfares, by high rents. Their children are robbed with this cheap education they get. The boss gives them more wages, but finds ways of taking it back from the workers outside the factory.

That is why we say, the worker's struggle does not end in the factory. It goes on in the communities, and in the schools. Our task as a union is to organise workers at the workplace. But we must join with other organisations which are fighting worker problems in the communities

Also, we know that the struggle must be led by workers. Workers are the majority, and they must show the way to democracy and freedom. So, it is very important that workers are involved in UDF so that they can lead the UDF.

POLL INDICATES WHITE HOPES FOR POLITICAL FUTURE

Johannesburg THE CITIZEN in English 15 Dec 86 p 13

[Article by Poen de Villiers]

[Text]

SEVENTY percent of the White voters in South Africa feel that the government should continue with its reforms, according to the findings of an opinion poll published in Rapport yesterday.

Other significant findings of the poll, conducted for Rapport nationwide among about 2 000 Whites by Mark en Meningsopnames were:

- Most White voters were in favour of a federal or confederal constitutional dispensation at a regional level instead of it being on an ethnical group basis (Whites, Blacks, Indians and Coloureds);

- They favoured retaliation against neighbouring states who support sanctions against South Africa;

- Support for the National Party has dropped since June this year, while all the other political parties gained support;

- Just fewer than 50 percent were in favour of

the government taking action against Bishop Desmond Tutu because of his campaign supporting sanctions against South Africa;

- The majority supported the release of Nelson Mandela if he rejected violence and that the government negotiate with the ANC on the same condition.

Regarding the future constitutional dispensation, people who participated in the poll had four alternatives to choose from:

- Homeland or heartland for every ethnic group (including Whites) where they had separate freedoms with self-determination;

- A unitary state with one parliament where the government is elected on a basis of one man one vote;

- A state which is organised on ethnic groups basis with power sharing in some instances and group autonomy in others with formal structures for negotiation by all groups

regarding future constitutional changes;

- A new constitution that is drafted on a non-ethnical regional basis through negotiation between representatives of all citizens. A federal or confederal government made up of regional representatives will guarantee the rights and privileges of the individual through a Bill of Rights.

The non-ethnic model with its regional basis drew 37 percent of the support, compared to 27 percent for power sharing on an ethnic group basis, 20 percent for the separate freedoms idea and five percent for one parliament elected on an one man one vote basis.

Economic retaliatory action against neighbouring states who supported sanctions against South Africa are favoured by 49 percent. Twenty-nine percent rejected such action.

Since a similar survey in June the NP's support has dropped from 51,9 percent to 49,6 percent,

while all the other parties gained support. The Progressive Federal Party's support increased from 16,2 percent to 18,6 percent, the Conservative Party from 13,4 percent to 14,1 percent, the New Republic Party from 2,7 percent to 3,1 percent and the Herstigte Nasionale Party from 2,2 percent to three percent.

Archbishop Tutu's support for sanctions angered many White voters and 47 percent said the Government should take action against him. Many (37 percent) felt, however, that no action should be taken because it would only promote his image as a martyr.

Fifty-two percent of the Whites are in favour of Mandela's conditional release with 33 percent against the idea and the rest uncertain, while 57 percent are in favour of negotiations with the ANC should they reject violence. Twenty-seven percent were not in favour of negotiations with the ANC.

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SOUTH AFRICA

COMMENTARY ON U.S. 'REVERSAL' ON POLICY TOWARD ANC

MB220814 Johannesburg International Service in English 0630 GMT 22 Dec 86

[Station commentary: "The United States and the ANC"]

[Text] A little more than 2 months ago, when U.S. legislators insisted on imposing sanctions against South Africa, they decided that a report be submitted to Congress within 90 days on the communist influence in the ANC and its use of violence. There has been no word since then on what progress, if any, has been made with such an investigation.

On the contrary, far from any evidence of such an investigation being carried out, there has clearly been a reversal in the American Government's attitude towards both the South African Government and the ANC. Until fairly recently, American Secretary of State Mr George Shultz had praised the unprecedented reforms taking place in South Africa. Earlier this month he spoke of the need for South Africa to do something urgently about reform. [Words indistinct] , and his government had refused to speak to the ANC, he announced that talks were being held with the ANC in order, as he put it, to advance the cause of equal rights, democracy and constitutional government in South Africa,

The South African Government has made it clear that it is prepared to talk to any individual or organization, including the ANC leadership provided they renounced violence as a means of achieving political ends. The ANC has shown no interest in doing so. Its continued commitment to violence is plain for all to see, and any serious investigation will establish beyond doubt that it has no interest in equal rights, democracy, and constitutional government.

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CSO 3400/680

COMMENTARY PRAISES COOPERATION WITH LESOTHO

MB121042 Johannesburg International Service in English 0630 GMT 12 Dec 86

[Station commentary: "Cooperation in Southern Africa"]

[Text] There is one thing that stands out above the conflict, rhetoric, hunger, and outside interference in southern Africa today, and that is the tiny flicker of interstate cooperation symbolized by the joint Highlands water project between South Africa and Lesotho. Both South Africa's foreign minister, Mr Pik Botha, and the Lesotho leader, General Metsing Lekhanya, spoke of the example that the joint project was to the rest of Africa. Mr Botha was on a visit to Lesotho, which included a trip to the site of the massive water scheme's first dam. The project, Mr Botha said, will be a symbol of the production of bread instead of the spilling of blood and of conflict.

At an impromptu news conference, Mr Botha explained that the government of South Africa and Lesotho had been negotiating for some time on the 4 billion rand project which would benefit both countries. What has happened is that [word indistinct] governments of Africa met, saw, planned, and hope together not for us but for our children, he said, for a better life. If this example of working together could be expanded, Mr Botha said, we could through co-operation, understanding, and dialogue create something to be proud of in Africa.

Speaking in similar vein, Gen Lekhanya said that the rest of Africa could indeed learn something from the symbolism of the project. Together we can build something that we can all be proud of; separated we will never achieve anything.

The Highlands water project is one of the largest of its kind in the world and the biggest hydroelectric scheme in southern Africa. The project will be a monument to regional cooperation in southern Africa, something which is vital and necessary if there is to be political stability and economic progress in the subcontinent.

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CSO: 3400/680

COMMENTARY VIEWS TOUGH AFRICAN ECONOMIC LESSONS

MB131010 Johannesburg International Service in English 0630 G rt 13 Dec 86

[Station commentary]

[Text] The Zambian food riots of the past week should bring home a few hard lessons for the whole of Sub-Saharan Africa. Chief among them is the responsibility that comes with independence. Failure to realize responsibilities and to act on them is the main reason why Africa is suffering today from political and economic ills that few could have imagined in the heady days at the dawn of independence 25 years ago.

A few years ago the former secretary general of the Organization of African Unity [OAU] Mr Edem Kodjo made this sad comment: Our ancient continent is now on the brink of disaster, paddling towards the abyss of confrontation, caught in the grip of violence. Gone are the smiles, the joys of life.

Numerous reports by experts in international institutions have confirmed this bleak view. Reports point out that all too frequently African states have become hostage to leaders intent solely on gaining and holding power. In nation after nation independence is then followed by a steady decrease in food production, and such essential government services as education, health care, and transportation are in disarray.

These are the very things that support the smiles and joys of life. People with empty bellies cannot smile and can have no experience of the joys of life.

In terms of per capita income and the availability of food, the people of many Sub-Saharan countries are worse off now than they were at independence. As the situation has worsened the World Bank and International Monetary Fund have had to impose stricter conditions on countries receiving aid. These include devaluation of inflated currencies, realistic exchange control, scaled-down development projects, and, more recently, the curbing of nonessential imports, ending policies tailored to deliver cheap food to the cities and give greater incentives to farmers.

The more than doubling of the maize price in Zambia which sparked off last week's riots resulted from the government's decision to cut subsidies as part of an austerity program devised by the International Monetary Fund to

bring about economic reform, It was a touch decision demanded by tough circumstances. Now the government has reversed its decision and reintroduced the subsidies on the maize price. In doing so it has bowed to the will of the people, a rare occurrence in a none-party state. But it has undermined its efforts at economic reform. This is perhaps the toughest lesson of all--there are no easy options in doing what has to be done.

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CSO: 3400/680

PFP LABELS MEDIA RESTRICTIONS DESPOTIC

MB211353 Johannesburg SAPA in English 1224 GMT 21 Dec 86

[Text] Cape Town, 21 Dec (SAPA[---Keeping the public in ignorance with the new press curbs was the creed of despots, PFP MP and spokesman on information, Mr Peter Soal, said today. He was responding to a half-page Bureau for Information advertisement in the SUNDAY TIMES "to set the record straight" about the emergency regulations inflicted on the media on 11 December.

"It is important to note that the current situation was brought about by an obstinate government who in spite of many warnings imposed the tri-cameral system on the country, thereby excluding the black people and entrenching apartheid," Mr Soal said.

The advertisement claimed the state of emergency was a success, but "if all is going so well why are things so bad? If the emergency is succeeding why is the clamp on the press necessary?" asked Mr Soal.

"With regard to the third point (the role of the media in the revolutionary struggle; one must ask why is it necessary to create a situation where citizens are kept in ignorance? This is the creed of despots. We all need to be fully informed of what is going on and what action has been taken both by the activists and by the government."

The reasons for the government's imposition of the new emergency regulations were "misleading and does not reflect the true picture. But this is typical of the National Party who frequently distort the situation to their own political purposes," Mr Soal said. "One must not underestimate the seriousness of the situation but the blame for the mess South Africa is in must be laid at the door of the Nats. This will not improve until we abandon apartheid."

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CSO, 3400/680

POLL REVEALS TELEVISION PRIMARY SOURCE OF NEWS

MB170757 Johannesburg SAPA in English 0740 GMT 17 Dec 86

[Text] Johannesburg, 17 Dec (SAPA)--Television is still the major source of news for urban whites but the percentage of viewers is on the decline, according to an Omnichek poll.

It showed that two out of three white urban South Africans say television is their main source of news. Out of a sample of 500 urban men and 800 women, 64 percent put television as their main source of news, 34 percent said they turned first to their daily newspaper and 30 percent relied on the radio.

In August 1985, responses from an identical sample indicated that 72 percent used television as their main source of news, 43 percent relied on newspapers and 33 percent on radio news items.

Research survey's joint managing director, Mr Butch Rice, said people's indication of television as their main news source did not necessarily mean that this was their only news source. "That white South Africans rely so heavily on television and radio as primary sources of news nevertheless is disquieting and places enormous responsibility on the authorities using the broadcast media to make sure that white South Africans are kept fully and accurately informed of events."

Mr Rice said: "The poll was not designed to explain any pattern shifts so it is not possible to determine precisely why the two polls show such a marked difference. If there is a decline in people relying on television as their primary source of news, it would be logical in present circumstances to see a counter-balancing increase in newspaper readership, but this has not happened.

"It is too far-fetched to conclude that in the last year, white South Africans are losing interest, if not trust, in all sources of news. If so, this has extremely grave consequences for the government in maintaining credibility as the primary front of unrest news. Newspapers operating independently of the government conceivably could be placed at a considerable disadvantage if white readers begin to turn away because the print media is no longer capable of doing its job properly," Mr Rice said.

The latest poll, conducted as early morning television was getting into its stride, indicates that women rely much more than men on television as their main source of news; 67 percent of responses compared with 60 percent of responses from men. On the other hand, 41 percent of men give newspapers as the main source against 32 percent by women. Only 23 percent of men said they used radio as a main source of news, compared with 31 percent of women.

Afrikaans-speaking whites placed the greatest dependence on television as the primary source of news, at 71 percent of respondents, compared with 58 percent of English-speaking people. Only 28 percent of the Afrikaans community gave first choice to newspapers, compared with 42 percent of the English-speaking community,

Among young people, 49 percent of respondents aged 18 to 24 gave television as the main source of news, compared with 23 percent who rely on newspapers and 29 percent who listen to the radio. People in the age groups 25 to 34 and 35 to 49 placed greatest reliance on television (65 percent and 61 percent respectively) while only 42 percent aged 50 or older relied on television and 24 percent on newspapers.

The poll showed that 58 percent of whites said the medium of their main source of news was bilingual, compared with 34 percent who said it was exclusively English and 16 percent who said it was exclusively Afrikaans.

The poll also showed that eight out of every 100 whites never read newspapers. Of multiple responses, 63 percent said they read daily newspapers, 64 percent said they read Sunday newspapers and 73 percent said they read the local free sheet,

Eighteen percent of urban whites claimed to read newspapers from cover to cover, 35 percent said they read them "fairly thoroughly," 38 percent said they did so "casually," and nine percent said "not at all."

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CSO: 3400/680

BLACK SASH CONDEMNS RESTRICTION ORDERS ON NEWSPAPERS

MB161057 Johannesburg SAPA in English 1022 GMT 17 Dec 86

[Text] Johannesburg, 16 Dec (SAPA)--The Black Sash has condemned the restriction orders on THE WEEKLY MAIL and the SOWETAN prohibiting them from publishing statements which "advocate" or "support" the Christmas against the emergency campaign.

"If any member of the public still has any doubts as to whether freedom of the press has been destroyed in South Africa, these latest orders should remove all doubt from their minds," the women's organisation said. "There is no press freedom any more. The press can only publish what the government chooses to allow it to publish. The people no longer know what is going on in their own country, every day momentous events occur but all the public knows is what the authorities choose to disclose.

"Already rumours abound and rumour is exceedingly dangerous. The government has already driven resistance underground. One day the white people of this country will find out with shock and horror what has happened as did the white Rhodesian community when that war finally ended," it said.

The Black Sash said the bans were "a tribute to the courage and determination of the editors and journalists of THE WEEKLY MAIL and the SOWETAN. They are under threat--but so is every single person who lives in South Africa as we enter into this long silence."

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CSO: 3400/680

RACIAL APARTHEID CRUMBLING ON JOHANNESBURG'S BUSES

Johannesburg SUNDAY TIMES in English 7 Dec 86 p 3

[Article by Gwen Gill and Samkelo Kumalo]

[Text]

APARTHEID began to crumble on Johannesburg buses this week ... and nobody, neither black nor white, turned a hair.

In fact no one really seemed to care — or even care about it.

During rush-hour trips out of town on the black Parkhurst and back into town on the white Craighall buses we were the only whites to be seen.

But though racial apartheid may be out of the window on a few selected routes from the liberal northern suburbs, in conservatively-run Johannesburg, economic apartheid still thrives.

For a similar-length trip on a white bus the fare is R1 (or R7,40 for a 10-coupon ride). On a black bus it's 70c (or R5,10).

And economic apartheid also comes colour-coded!

Black and white may be out, but blue and yellow are in!

Blacks can only ride on a white bus with a blue board on the front. Whites can only get on a black bus with a yellow indicator board.

What's more, "blue" buses only stop at white bus stops. "Yellow" buses only draw up at black stops.

But this tiny step for bus-travelling citizens appears to be welcome, if a little late in getting the official stamp of approval.

White passengers say that blacks have been travelling on the Craighall bus (coded blue) for a while.

Students

"Our usual bus driver, a coloured man, lets anyone on," said secretary Jane Law of Craighall.

Passengers on the bus, which is usually full of students and school pupils, said that it's only right that buses

should be integrated.

"Why hasn't it happened before?" asked Miss Simone Catton of Randburg. "But I wouldn't go out of my way to ride on the cheaper, black buses.

"They should make all the buses the same."

On the crowded black bus (coded yellow) none of the commuters even noticed us.

Everyone went on with their conversations, reading newspapers and the racing form books.

Genial driver Reuben Jubase, a Transkeian who's been driving for the municipality for 17 years, gave us our tickets seemingly without noticing the colour of our skin.

Sermon

"Whites, particularly young ones, have been coming on my bus for ages, without any problems," he said.

It didn't take long to find out that a ride on a black bus is much more fun than the staid trip that white buses offer.

By the time we'd got to Braamfontein, Mrs Thandi Kumalo had started preaching a sermon. By Rosebank most of the passengers were singing a hymn.

"Singing makes the distance seem much shorter," laughed one commuter, who said she'd left her home in Dobsonville, Soweto, at six o'clock that morning. It was then 7.45am.

The "open bus" experiment is due to last for at least six months.

After that — and presuming it works — the council will "motivate for open buses to become permanent", according to the vice-chairman of the transport committee of Johannesburg City Council, Mr Jan van Blerk.

GWEN'S VERDICT . . .

A GREAT trip. Passengers on black buses are much more friendly than those on the white buses I've been used to.

There you can see the same folks for years and never get a "good morning" out of them.

On the black buses everyone chats — it's a lot noisier than I'm used to, and a lot fuller. And white passengers can forget about fears they might have about dirty vehicles.

But there's a big education programme to be done before full integration will come about. Not necessarily in telling people to integrate, but telling them that

integration is happening.

Of course, the farce of opening routes going to the liberal north is preaching to the converted. The real crunch will come when open buses start on routes to the rather more conservative east, west and south of Johannesburg.

It's also daft that bus stops are still separated by race.

Frankly, I can't wait until open buses are used on the routes I use daily — specially when three black buses come along to every white one.

But I just hope they'll do something to make the seats a bit softer!

SAMKELO'S VERDICT . . .

I DOUBT whether any black will go out of his or her way to pay an extra 30 cents for the comfort of cushioned seats in white buses.

I feel the present black buses will still cater for the black majority, with only a few commuters on both sides of the colour line catching buses going their way.

But whites on black buses are in for religious sermons. This idea came to me when I noticed a paternal aunt preaching a sermon on the lower deck of a black bus.

My aunt's preaching was at times drowned by the singing on the lower deck,

with the upper deck joining in, somewhat hesitantly at first. But soon the whole bus was a mobile church service.

Perhaps this will drive many whites from the traditional black buses. So don't be surprised if black Christian zealots spread the Word of God to their white compatriots in the blue-coded buses.

An encouraging note came from an elderly white lady on a white bus. She welcomed the desegregation, adding that it should have come a long time ago.

"We should not only ride and work together in industry, but learn to live with one another as well."

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CSO: 3400/646

REPORTERS EXAMINE VARIOUS FACTORS IN KWANATAL INDABA DISPUTE

Two 'Cardinal' Defects Seen

Johannesburg THE WEEKLY MAIL in English 5-11 Dec 86 pp 12, 17

[Article by Patrick Laurence]

[Text]

THE formula for joint multi-racial, regional government for Natal and KwaZulu, hammered out after eight weeks of hard bargaining, illustrates once again the difficulty of reaching a wide political consensus in South Africa.

Impressive as the KwaNatal Indaba is as an innovative response to the political challenges facing the country, it suffers from two cardinal — perhaps even fatal — defects.

The two major forces in the struggle for South Africa, black radicalism and Afrikaner nationalism, were not party to the agreement reached with apparent suddenness by 24 of the 37 delegations to the Indaba last Friday.

The whole constellation of radical black organisations — the African National Congress, the United Democratic Front, the Pan Africanist Congress and the black consciousness movement — spurned the invitation to participate from the outset. They did not see the Indaba as a genuine bid to resolve South Africa's problems, but, rather, as a manoeuvre to prolong white paramouncy by bringing in the Zulu-based Inkatha movement and "collaborating" Indians as additional buttresses to white rule.

The National Party opted for observer status, a sign that it was not fired with enthusiasm.

But Afrikaner interests were represented more directly by the cultural organisation, the Federale Afrikaanse Kunsbeleging (FAK), the Afrikaanse Handelsinstituut, the Afrikaanse Sakerkamer and by the Rapportryers, which have been described as the junior Broederbond.

Significantly, the FAK and the Handelsinstituut delegations were the only two which refused to sign the agreement last Friday. The Sakerkamer abstained on the grounds that it wished to consult its constituency. The Rapportryers were not present. Their representative, Thinus Havenga,

however, was critical of the decision to force a vote on the contested proposals rather than plod on in search of consensus.

The core of the agreement provided for:

- A bi-cameral legislature, consisting of a 100-member lower chamber, elected by universal franchise on the basis of proportional representation, and a 50-member upper chamber, with 10 members each for people of African, Indian, Afrikaner and English background and 10 for people who did not wish to be classified racially or culturally.

- An executive, consisting of a prime minister and 10 ministers, half chosen from the majority party, and half from the minority parties.

- The allocation of specific powers to the KwaNatal government, including revenue collection, education, health services, local government and some judicial and police functions (plus authority over a "Natal regional force").

- Key powers such as defence and foreign affairs would, however, remain in the hands of the central government.

The ink was hardly dry on the agreement when it was rejected by the Natal leader of the NP and Minister of Home Affairs, Stoffel Botha. It did not, Botha said, provide for "effective and equal powersharing". Instead, he declared, the majority party, "as in the typical Westminster system, would effectively exercise all power".

KwaNatal leaders in favour of the Indaba proposals refused to be disheartened. They hoped that Botha's would not be the last word.

They believed, or professed to believe, that Chris Heunis, Minister of Constitutional Development, might be less implacably opposed than Botha. But Heunis was cautious, merely remarking that he would have to study the proposals in detail and that they would have to

fulfil government demands for guarantees against "group domination" and, conversely, for protection of minority rights.

Although no Afrikaner leader spelt it out specifically, the Indaba proposals touched on an age-old Afrikaner fear: that English-speaking South Africans want to enfranchise the blacks and forge an alliance with black voters to augment their own voting power to end Afrikaner domination at the hitherto whites-only polls.

The Afrikaner fear has been strongly voiced in the past. It is expressed concretely in the 1984 tri-cameral constitution.

Unlike the Indaba plan for Natal, the 1984 constitution is structured to prevent a palace revolution against Afrikaner hegemony by an alliance between English-speaking and coloured or Indian MPs.

As long as the NP controls the majority of seats in the "white" chamber in parliament, its dominance in the electoral college which chooses the president is ensured. So, too, is its control of the President's Council guaranteed, even if indirectly through the president.

Refusal by the NP to endorse the Indaba proposals will jeopardise the NP's own plans for a constitutional settlement. It may also undermine the position of the Inkatha leader, Chief Mangosothu Buthelezi.

In 1982 the then Natal MP, Owen Horwood, rejected recommendations by the Buthelezi Commission for a form of joint government for

KwaZulu and Natal. Later senior NP politicians conceded that it was a mistake to have done so.

Now, however, four years later, the NP seems set to repeat its earlier mistakes. The difference now is that the NP is known to be keen to persuade Buthelezi to join its national council to help plan a new national constitution. Its present difficulties in persuading Buthelezi to join will multiply tenfold if the Indaba — which is largely a Buthelezi initiative — is rejected.

The NP may even risk bringing about the very alliance which it dreads: an anti-Afrikaner Anglo-black alliance. As Bill Sutton of the New Republic Party remarked after Stoffel Botha's rejection of the Indaba proposals: "The government is creating a danger of placing the Afrikaners in opposition to the rest of the people in Natal."

For Buthelezi, too, the cost of an NP rejection could be high. Instead of carving a role for himself as the man leading "moderate" centrist forces against "extremists", the NP may well cause him to be seen as a loser presiding over the collapsing centre.

Inkatha general secretary and co-convenor of the Indaba, Oscar Dhlomo, is certainly aware that the stakes are high.

Describing Botha's rejection of the Indaba proposals as "ill-advised and inappropriate", he said: "If the National Party continues to adopt such an attitude, it is quite possible that this is the last Indaba, not only for Natal but for the whole country."

Supporters Hope To Persuade People

Johannesburg THE WEEKLY MAIL in English 5-11 Dec 86 p 12

[Article by Carmel Rickard]

[Text]

WHILE the government delays any official response to the KwaZulu/Natal Indaba — possibly hoping to stall until after the next election — Indaba supporters are determined to take their proposals to the people of the region.

Local business people and senior politicians are already drafting plans for private funding to finance a referendum if official state sponsorship is refused.

The Indaba and its proposals have come in for sharp criticism from both the Left and Right, but its supporters feel the consultation could be the last hope for a liberal solution to the problems of the region — and, ultimately, the country.

Time is running out for such negotiations, said Dr Oscar Dhlomo, KwaZulu's representative at the Indaba.

If the government turned down the proposals, "God help South Africa, because the forces that

believe in negotiation politics and peaceful change will have nothing to show for this belief."

Responding to the comment of Home Affairs Minister Stoffel Botha — that the Indaba was a "useful exercise" from which lessons could be learned for future gatherings — Dhlomo warned that, on the contrary, this Indaba could well be the last.

Some observers believe the man whose opinion really counts is Constitutional Development and Planning Minister Chris Heunis — who has said he won't comment until he has studied the official proposals.

But however the government responds officially — when it does respond — Dhlomo said KwaZulu could not lose.

If the government rejected the Indaba, KwaZulu would emerge as the moral victors, prepared to practice negotiation, not just preach it.

If, on the other hand, the proposals were accepted, KwaZulu would be proved correct to have engaged in consensus politics.

Not all supporters of the KwaZulu government agree with Dhlomo. Some feel the results of a government rejection could have negative implications for Chief Minister Mangosuthu Buthelezi.

It is the second time Buthelezi has tried, and the response by the government to the Buthelezi Commission report was similar to that of Stoffel Botha. The KwaZulu leader and his opponents could now begin to read the message that neither Buthelezi nor KwaZulu is essential to Pretoria after all.

Dhlomo said he strongly hoped the government would hold a referendum to test public opinion on the Indaba's proposals. However, if such an opinion-testing poll were turned down, alternative ways would have to be found to take the matter to the people. The KwaZulu government would "unfortunately" have to consider holding its own referendum.

Three options are available for a non-state-run test of opinion in the Indaba region: a poll to be carried out by local authorities; as a last resort, funds could be raised to hold an independent referendum; or — not as favoured as the others — an extensive opinion poll to be conducted by a reputable research group.

Natal leader of the PFP, Ray Swart, and former Natal MEC Frank Martin have confirmed that a number of business people have offered to foot the bill, should a privately funded referendum be the only way to test opinion.

One of the questions asked in Natal is why Botha responded so hastily — his rejection came within 48 hours of the proposals being released.

A possible explanation, given by several participants, pinpoints a significant weakness in the Indaba's operations so far.

All its discussions have been *in camera*, with participants obliged to honour this confidentiality. Occasionally statements have been made to the media about the progress being made in the debate.

The secrecy was designed to free participants to change position as negotiation progressed, but a side effect has been public boredom, allied with ignorance. Consequently, there has not yet been a

groundswell of public opinion so strongly in favour of the scheme that the government cannot afford to ignore it.

The Indaba is now trying to make up for lost time with an extensive information campaign.

If the government is opposed to the scheme, it is obviously in its interests to nip the plan in the bud before the support campaign takes off. And Botha's comments certainly put a damper on the euphoria present at the official unveiling of the proposals to the media.

The issue of an official government response could also put both the National People's Party and the Labour Party in an embarrassing position.

Representatives of the two parties signed the standard acceptance form of the Indaba's proposals. It ran, in part: "We commend the proposals to the people of Natal."

Should the government throw out the scheme — particularly if it does so without referring the matter to the public — it raises the question of how NPP and Labour ministers can continue in the cabinet after their parties have specifically endorsed the Indaba plan.

What if a referendum goes ahead?

Indaba officials feel they have a fair idea of the strength of the opposition on either side, and add that it is the democratic right of all who are opposed to the proposals to say so in a poll.

But it is doubtful if anyone knows the true size of leftwing opposition to the Indaba, particularly since so many representatives and organisations of the Left have been severely muzzled by state action under the Emergency. Thus it seems certain that any campaign preceding an Indaba-referendum will take place with the leftwing unable to participate fully in the debate.

The Indaba was scheduled to meet again last night, still behind closed doors.

Delegates must decide whether the Indaba should end now, or, as chairman Professor Desmond Clarence put it, "leave it to the political parties from here".

On the agenda is a report of the Indaba education committee which promises to raise all the same emotional issues about minority rights and group identity which proved so difficult to resolve when the constitutional proposals were debated.

Sideline Views

Johannesburg THE WEEKLY MAIL in English 5-11 Dec 86 p 17

[Article by Shaun Johnson]

[Text]

THE Indaba is *phelile*.

The question now is whether it is *phelile* (complete) or *phelile* (finished).

Months of somewhat cabalistic negotiations have given birth to firm proposals in black and white,

and all attention is focused on how People-In-Power will react to them. The answer from the National Party has been a swift and irascible *nooit*.

In the breathless rush to ascertain what prominent Indabans are going to do to keep their political ball rolling despite the apparent reactionary rebuke, no-one seems to be bothering about those major groups which refused to have anything to do with the Indaba in the first place.

The Weekly Mail sought the opinions of four prominent extra-parliamentary organisations, and their answers ranged from ringing "I told you so's" to predictions that the government will actually embrace the KwaNatal proposals once the next election is out of the way. All agreed they'd have nothing to do with it, whatever the vagaries of government response, present or future. Here's what they said.

TOM SEBINA, Lusaka press officer, African National Congress

"The proposals of the Indaba are unacceptable — they are the offspring of regionally and ethnically based interests and are also intended to enhance Buthelezi's ego and personal ambitions. They are contradictory to the whole concept of a united and democratic South Africa. Our people, all South Africans, are calling for an end to all forms of racism and regionalism.

"The crisis created by apartheid in South Africa can only be solved by and through a democratic process in which all our people, organisations and communities are participants. The ruling party and government act for reasons altogether different from those of the ANC.

"The ANC rejects the idea of piecemeal solutions which only continue the agony suffered by our people. Regional or local negotiations will never bring us closer to a national democratic solution."

MUNTU MYEZA, national publicity secretary, Azanian People's Organisation

"Azapo has always refused to be party to divisive manoeuvres like the KwaNatal initiative. Simply put, the whole exercise is a sophisticated caricature of the bantustan 'national states' gimmick. Not surprisingly, the South African government did not take kindly to being beaten at its own game.

"We view the KwaNatal issue as an Irredentist attempt to avoid the obvious admission that the system of government employed by the South African government is a failure.

"It is noteworthy that the people involved in this exercise are a coterie that has failed dismally in influencing the fundamental aspects of government. The KwaNatal Indaba demonstrates that the system cannot be influenced from within.

"In the final analysis, the KwaNatal matter is a misdirection, where national problems are relegated to regional solutions. We have always maintained that Azania is a single, indivisible unit and solutions have to be worked around that precondition."

MEWA RAMGOBIN, executive member of the Natal Indian Congress

"It is unfortunate that the Indaba has created a measure of hope in the minds of some people.

"The proponents of the Indaba have in many ways ignored the broad democratic demands which we are compelled to heed. Solutions must be based on the will of the majority of the people. The Freedom Charter is the nearest thing to any expression of such a will.

"We believe there can be no piecemeal resolution to a national problem. Natal/KwaZulu is an integral part of South Africa, just as the homelands are. Notwithstanding the processes through which the Indaba protagonists are going, the full consequence would be the creation of just another administrative unit.

"The government will only respond to the unified pressure of all anti-apartheid forces. Perhaps the proponents of the Indaba should use the opportunity to close ranks with all extra-parliamentary powers in isolating the Nats.

"Without wanting to be derogatory and without any rancour, the members of the Natal Provincial Administration and even KwaZulu are, after all, paid functionaries of the state.

"While the Nats have now rejected the proposals, they are, in fact, to my way of thinking, biding their time. They will, I believe, sooner or later accept the Indaba as part of their overall plan in implementing the Regional Services Councils."

MURPHY MOROBE, acting national publicity secretary, United Democratic Front

"We refused at the outset to go into the Indaba, and this stand has been vindicated by the proposals they have put forward.

"The whole Indaba initiative was completely undemocratic, and even the initiators themselves were forces steeped in tribalistic and racial forms of activity. Therefore when we see proposals such as proportional representation according to race, that is completely against the grain of what the UDF stands for — a nonracial, democratic, united South Africa.

"This kind of 'solution' means that the Free State could go on its own search for a *boerestaat* in its region, justifying what Eugene Terre'Blanche and the Conservative Party stand for.

"At this point in time we do not see our way clear to negotiating with the NP. There has been no clear intent on the part of this government to negotiate freely and to allow everyone else to negotiate as free men and women in this country for the future.

"Our main task relies much more on the organisation of a mass base, rather than looking for top-heavy and elitist solutions.

"One cannot underestimate the possibility of types like Buthelezi, with their self-centred approach to politics, trying to continue with such futile initiatives. History is laden with such attempts — from Vietnam to Korea — that sought to divide countries as and when imperialism has been under pressure.

"The NP may perhaps have been over-hasty in rejecting the proposals of the Indaba, because for

all intents and purposes, if carried to their conclusion, they would actually serve the interests of the NP.

"The only obvious thing for Buthelezi, the Natal Provincial Administration and the Indian participants to do is to see the light. They must begin to realise that there is nothing they can obtain at this point by actually trying to seek solutions under the protection of the NP.

"They have been trying to present the Nats as being amenable to free debate and free speech when the UDF is being suppressed, when the ANC is banned, when democrats who have been challenging apartheid are under restriction orders. They are still continuing to try to work out solutions without the major democratic forces in this country.

"They have to realise that history will have, at some time, to contend with the folly of their present actions."

/9274

CSO: 3400/645

INDIAN EDUCATION FACES CRISIS AS TEACHERS ARE FIRED

Durban POST NATAL in English 10-13 Dec 86 p 1

[Article by Khalil Aniff]

[Text]

INDIAN education plunged deeper into crisis yesterday when scores of teachers, many of them qualified, were fired.

The sudden dismissals fly in the face of earlier assurances by the Minister of Education and Culture, Mr Kassie Ramduth, that qualified teachers would not lose their jobs.

Mr Ramduth stressed that only unqualified teachers would be phased out when challenged by the media and the Teachers' Association of South Africa.

The dismissals also come at a time when the teachers are due to go on holidays planned several months ago.

Teachers broke for the summer recess yesterday and instead of collecting only their paypackets and bonuses, some were also given an additional envelope — which contained their dismissal notices.

At the time of going to press the exact number of teachers affected was not known, but some sources say they could number between 200 and 300 in Natal alone. In the Transvaal about 100 teachers were believed to be affected.

Mr Ramduth could not be reached for comment as he was on holiday.

Education directors —
AK Singh (chief director),
Brij Panday (director —

control) and Dr Ganesh Nair (director — planning) — could not be reached for comment.

Teachers first heard of the dismissals on Monday when when a group of Isipingo and Chatsworth teachers received dismissal notices.

A random inquiry was then conducted, and by Monday night news spread that many of the teachers axed were qualified, some with 26 years' service.

House of Delegates MP, Mr Nizzie Khan, was unable to get clarity from the education department.

He called on Mr Ramduth to "honour his word" and retain the services of qualified teachers.

Teachers who spoke to Post asked not to be identified.

A teacher who has a professional teaching certificate said she was improving her qualification at the Orion College for in-service teachers.

"I have given many years of faithful service and now I am being treated like this.

"I am a qualified teacher and I don't see why I should be sacked," she said.

Another teacher, who is awaiting his results after writing a supplementary examination in November, said: "I am also a qualified teacher.

"I only had one subject to complete which I wrote last month.

"I am still awaiting my result and have now been served with a dismissal notice."

TASA president Mr Pat Samuels confirmed that among the teachers axed were many qualified teachers.

"Mr Ramduth and his department have gone back on their word.

"They assured us that qualified teachers would not be axed but have now betrayed us."

He said it was a bit too early to assess the extent of the problem as many teachers were still contacting their offices.

CSO: 3400/662
/9317

COST OF UNIVERSITY EDUCATION IN WESTERN CAPE TO RISE

Cape Town THE ARGUS in English 2 Dec 86 p 1

[Text] The cost of university education in the Western Cape will rise next year.

The rector of Stellenbosch University announced today that tuition fees would be increased by 15 percent and accommodation would go up by 12.8 percent.

The University of Cape Town announced last month that residence fees would be increased by 15 percent and a decision about tuition is to be taken.

A University of the Western Cape spokesman said today an announcement about increased fees, probably about 15 percent, could be expected soon.

At Stellenbosch a BA course which costs R1 435 a year will rise to R1 645, a B Comm will cost R1 714, an increase of R224, and a BSc R1 806, R236 more.

Tuition fees for an MBChB in the faculty of medicine and for a BChD in the faculty of dentistry will be R1 806 for the first year and R2 365 for the remaining years of the course.

Single room

Annual single room accommodation in Dagbreek, the largest men's residence, will cost R2 595 compared with R2 290 this year. A double room will cost each person R2 295.

In Hippocrates men's residence for the faculty of medicine at Tygerberg Hospital, a double room will cost R2 250, R250 more. Single rooms in

Hippocrates will rise from R2 250 to R2 550.

In the women's residence complex of Erica, Nemesia and Serruria, a student will pay R2 310 for a single room instead of R2 040. A double room will cost R2 010 a person.

Irene, Lydia, Minerva and Heemstede residences will cost R1 920 a year double and R2 220 single.

A double room in Huis Francie van Zijl, the women's residence at the faculty of medicine, will cost R2 045 compared with R1 820. Single room accommodation will rise from R2 070 to R2 345.

Doctors

From the beginning of next year the tuition fees for a doctor's degree will be R1 030 for the first year, R515 for the second year and R200 a year thereafter.

Students who enrolled for doctor's degrees before 1986 will pay only R155 a year after the first two years until the degree is completed within the required period of eight years.

● Tuition and residence fees at Rhodes University in Grahamstown will rise by about 18,5 percent next year.

RIGHT-WING GROUPS THREATENING UNITY OF NGK

Johannesburg SUNDAY TIMES in English 7 Dec 86 p 2

[Text]

RIGHTWING rebel groups within the 1,5-million-strong Dutch Reformed Church are seriously threatening the unity of the spiritually and politically influential white church.

Last week, less than two months after the church's landmark decision to open its doors to all, dissatisfied objectors, calling themselves "beswaardes", met in Pretoria to discuss "the formation of a church among Afrikaners".

The move has brought to a head the groundswell of increasing factional differences among Afrikaners.

Up to now the NGK has remained one of the last untouched bastions of Afrikanerdom.

The Conservative Party broke away from the National Party; cultural organisations followed, and even the Broederbond is plagued by division.

■■■

By implication, the proposed exclusive Afrikaner church will be for whites only — a sentiment, say critics of the move, unworthy of the historic decision taken on apartheid at the recent general synod in Cape Town where the NGK's new policy on church and race was adopted.

The basis of their complaints is simple: the new church policy of open membership, open church doors and no apartheid, as laid down in the newly-adopted and highly controversial "Kerk en Samelewing" document, has destroyed the comfortable racial barriers previously upheld by formal church policy.

While a conservative backlash was expected, the swift organisation of the mass meeting at Pretoria's Skilpadsaal — where the Conservative Party was formed — apparently caught the church's executive off guard.

■■■

The sudden turmoil was followed by impassioned pleas for unity by moderates and the official church mouthpiece, Die Kerkbode, this week devoted both its

front and leader pages to the "skeuring" (split).

"The possibility of a split is again hanging like a dark cloud over the church," Kerkbode commented.

The newspaper also carried a statement from the NGK executive deploring dissension and pleading for dissidents to reconsider their extreme actions, with specific reference to the "non-Christian" request made by objectors to withhold contributions to the church.

Dissatisfaction among heavy-hearted dissidents has emerged through two primary groups: those considering a rebel Afrikaans church and those hoping to hijack and redirect church ideology from within.

■■■

While strong pleas for unity came from within the church hierarchy, observers were of the opinion that a major split was unlikely.

Too much is at stake, but the formation of rightwing splinter groups is expected.

Prominent academics have sided with the movement.

But the interpretations and the plans of conservative action contemplated are predictably as varied as rightwing Afrikaner politics.

■■■

Geographically the struggle is also divided between the more conservative north and the traditionally "verligte" south.

Arch-conservative and Unisa academic Professor Willie Lubbe, a well-known shadow figure in rightwing politics, has become the leading voice for those conscientious objectors contemplating secession.

On the other hand the

Afrikaner Volkswag chief, Professor Carel Boshoff, has committed himself to lead an ideological power struggle from within the mother church.

The proposed formation of a new church is also seen merely as a threat.

The capturing of church wealth, including properties and investments, is in the balance and the reality is that those who leave the church will depart empty-handed.

■■■

The manipulation of church policy on congregational level, where grass-roots socio-political sentiments will dictate, is therefore expected to be engineered from within.

A preview of the escalating "broedertwis" was played out in the synod debate preceding the acceptance of the contentious "Kerk en Samelewing" which condemned apartheid as un-Christian and "a contravention of neighbourly love".

But the flexible nature of the document has left it open to varied and conflicting interpretations — an issue pointed out by critics soon after its publication.

However, in an attempt to placate the vociferous objectors, newly-elected General Moderator and Pretoria University theologian Professor Johan Heyns has personally pleaded for dissidents to reconsider their actions.

In a recent Sunday night church service broadcast on the Afrikaans service he made an impassioned plea for church unity.

INDIAN TOWNSHIP PLANNED FOR ORANGE FREE STATE

Durban POST NATAL in English 10-13 Dec 86 p 3

[Article by Logan Govender]

[Text]

AN Indian township is planned for the Free State, but those who want to stay there will have to build their own homes.

Town planning consultant and land surveyor, Mr Neels Brink, said a private township was planned for Oden-daalsrus. He said between 300 and 400 plots had been set aside for development in a proposed 42 hectare site.

"A private concern, Kirvon Limited, has been awarded the R5 million contract to construct the roads, and lay waterworks and a sewer system in the area. It is expected to be completed by the middle of next year," said Mr Brink.

He said those interested in moving into the area could buy plots and develop their own houses.

"Those who want to stay here should contact us so that the necessary arrangements for plots can be made.

"Thereafter, they can consult their architects

and plan their homes to suit their tastes," he said.

Mr Brink said there were also plans for a business centre, schools and places of worship.

"Like the houses, plots will be available for the development of a business centre. We are playing by it ear and hope to discuss the issue with members from the House of Delegates in January," he said.

Mr Brink said the development of primary and secondary schools would depend on the number of Indian children in the area.

"If there are not enough pupils to warrant the development of a primary and secondary school, then there might be a combined school."

He added that the development of the township was in its infancy and no name had been decided yet. "We would like suggestions from the Indian community on naming the township."

He said that he knew of about 60 Indian families who were living in the Free State.

UNION CLAIMS RIOT POLICE DEPLOYED FOR OK STRIKE

MB201555 Johannesburg SAPA in English 1551 GMT 20 Dec 86

[Text] Johannesburg, 20 Dec (SAPA)--The strike at the giant chain OK Bazaars has spread to 110 stores, warehouses and hyperamas nationwide, and the Commercial, Catering and Allied Workers Union [CCAWUSA] today claimed OK was adopting "high-handed" measures to break-up the strike.

The union revealed at a press conference in Johannesburg today that riot police had been deployed at most outlets and at least 425 striking workers had been detained in Natal. Three hundred and twenty workers had been fired, it added.

CCAWUSA also claimed that, as part of measures to stifle the action, OK had contracted a number of private security firms whose forces had already been stationed in "many branches."

The legal strike, which began two days ago, was sparked by failure by a government appointed conciliation board to resolve a wage dispute between the 10,000-strong union and the supermarket chain. The union claimed again today that all its members had "voted for strike action." In terms of SA labour law, workers must complete conciliation board proceedings and a strike ballot before going on strike. The union is demanding an immediate R160 across-the-board pay increase and new benefits for its 20,000-odd employees in 202 stores country-wide.

According to an analysis of the company's accounts OK Bazaars' profits would be wiped out and heavy losses incurred if it surrendered to the union's demands.

CCAWUSA also claimed today that a store in KwaMashu in Natal had been closed down and that the manager of the branch had joined the strike.

Other allegations of "high-handed" approach by OK the union said:

--Striking workers at Parow in Cape Town were questioned by police;

--Workers at Sasolburg in Orange/Vaal were threatened by police who maintained a cordon around OK premises, preventing workers from leaving or entering premises;

--Workers and customers at OK Eloff Street branch teargassed;

--Striking workers at Rooderport branch locked out;

--A manageress at Village Court branch, Kempton Park tried to bribe workers by offering R2.50 extra pay per day;

--Workers photographed at the Village Court, Kempton Park;

--Names of striking workers at Faraday branch taken down by management;

--Workers refused access to toilets, food, water and telephones.

Reacting to the measures the union said it "condemns in the strongest terms, OK's abuse of power and its resorting to call in the police,"

"OK's mysterious contingency plans are beginning to unfold. It is nothing but the resorting to brute and naked force to put down a peaceful, legal, just and disciplined strike by the underpaid and discriminated workers," it said. CCAWUSA added that as the strike continued strike ballots were being held in other branches aimed at bringing more workers out on strike.

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CSO: 3400/680

ARMED SHOPPERS NEW THREAT TO SAFETY IN STORES

Johannesburg SUNDAY TIMES (Metro) in English 30 Nov 86 p 1

[Article by Janine Lazarus]

[Text]

GUN-TOTING shoppers in crowded supermarkets are becoming a nightmare for store managers because of the threat they pose to public safety.

The dramatic increase in pistol-packing shoppers has come to light because of the strict security searches conducted at all major stores and centres.

The managing director of Checkers, Mr Clive Weil, confirmed that armed shoppers were on the increase and said he was not in favour of "gun-carrying" customers.

"There must be many people who have been exposed to car thefts, break-ins and personal assaults, but very few of them are trained to use their weapons properly."

Mr Weil added that "certain macho types" liked to believe they would be able to stop a crime if they came across one.

"I'm not saying people shouldn't carry guns, but they should ensure they have the correct training and can handle the weapon."

Mr Weil also said he didn't think shop-owners were entitled to ask shoppers to hand their weapons in for safe-keeping.

"We don't have gun safes for shoppers and unless you have that kind of facility, it's just not in safekeeping," he said.

Women

Mr Aubrey Zelinsky, general manager of the Norwood Hypermarket, said he had noticed a definite increase in the number of armed women.

"People are obviously a lot more aware of what is going on nowadays, but I personally don't believe in guns."

Mr Zelinsky also said his policy was to ask people to keep their guns out of sight.

Mr Dawie Brummer, a Johannesburg gunsmith, said 80 percent of those who owned guns were carrying them rather than leaving them at home.

"We were selling up to 10 guns a day during the riots in June, but our figures have normalised since then," Mr Brummer said.

Another gunsmith, Mr David Winter, said: "We seem to

be doing a lot of minor repairs on small guns that can be carried around."

Ridiculous

Sunday Times Metro approached several shoppers who said they were not in favour of others carrying guns.

A Johannesburg radio-grapher said carrying a gun was "totally ridiculous because instead of a person just defending oneself, he can kill," she said.

Estate agent Mrs Lynne Colyer said being armed was up to the individual, "but I don't think it's really necessary in this area".

Insurance salesman Mr Zak Bruce said he didn't carry a gun because he felt "secure enough" without one.

Traffic officer Mr Kobus van der Merwe said although he was always armed, it was "not advisable" to tote guns in supermarket aisles.

CSO: 3400/662
/9317

SOUTH AFRICA

GROUP FINDS 'DRAMATIC' DECLINE IN UNREST DEATHS SINCE JUNE

MB111110 Johannesburg SAPA in English 1108 GMT 11 Dec 86

[Text] Johannesburg, 11 Dec (SAPA)--Some 2,291 people had died in political violence since the beginning of September 1984 but there had been a dramatic decline in fatalities since June, the South African Institute of Race Relations said today.

The average daily fatality rate between 1 January 1986 and the end of the first state of emergency was 3.75, while the rate had come up to 6.31 during the period when there was no emergency in force.

Since the second emergency was imposed in June, the rate had dropped to 2.27, the institute said.

The institute said that conflict within black communities accounted for 45 percent of all fatalities this year, while deaths at the hands of security forces accounted for 33 percent.

Some 12 percent of the deaths were in circumstances that were not clear, while the remainder were insurgency-related or accounted for by casualties among the security forces.

The institute stressed that it did not claim that its figures were definitive.

Since the imposition of the second state of emergency, the gathering of data had become more difficult and it was possible that there had been fatalities which had escaped its attention.

The actual figures could therefore be higher than its statistics showed, the institute said.

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CSO: 3400/680

SOUTH AFRICA

EEC CONFERENCE, ARTS FESTIVAL BANNED

MB111430 Johannesburg SAPA in English 1421 GMT 11 Dec 86

[Text] Cape Town, 11 Dec (SAPA)--The Arts Festival Towards a People's Culture and the End Conscription Campaign national conference were banned today by the divisional commissioner of police for the Western Cape Major General Corr Crhistoffel Swart. The orders banning the events were issued in terms of state of emergency regulations and are valid from today until 22 December in the Western Cape Police Division.

The Arts Festival Committee's Towards a People's Culture programme was to start in the city tomorrow and continue until 21 December with a variety of music events, community theatre, dance and art exhibitions and cultural rallies. Participating in the festival were groups such as the Community Arts Project Gape Town's Jazzart group and bands such as Ntsokolo, Amajiqi, Bright Blue and Smoking Brass. For the past week artists from all over the country have been converging on Cape Town for the festival which has been widely advertised.

The EEC national conference or any other gathering for the same purpose anywhere within the Western Cape Police Division is banned at any time from 12 December to 22 December, General Swart said.

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CSO: 3400/680

SOUTH AFRICA

BRIEFS

APARTHEID SIGNS ON BEACHES--Cape Town, 16 Dec (SAPA)--Apartheid signs will remain on the peninsula's "open" multiracial beaches until another Divisional Council [DIVCO] meeting decides to remove them. This was revealed yesterday by the DIVCO secretary, Mr F. H. Mocke. He explained that "non-whites only" signs at Soetwater, near Knommetjie, and other beaches would not be removed. Last week DIVCO defied the administrator, Mr Gene Louw, and declared all beaches open to people of all races--except Bloubergstrand and Melkbosstrand. The decision did not imply removal of "apartheid" signs, Mr Mocke said. "Council has not taken a decision on signboards yet. Reservation, as such, is still there." Commenting on this explanation Mr Frank van der Velde, city councillor for Ward 16, said officials "have no right to go against a DIVCO decision." "I think DIVCO wants to be Verlig [enlightened], but in reality is applying apartheid," he said. [Text] [Johannesburg SAPA in English 0901 GMT 16 Dec 86 MB] /9274

CSO: 3400/680

SCARCITY OF JOBS REFUTED, UNEMPLOYMENT DISPUTED

Johannesburg BUSINESS DAY in English 11 Dec 86 p 3

[Article by Mick Collins]

[Text]

LEADING personnel recruitment consultants have questioned the accuracy of reports of high unemployment among middle management and blue-collar whites.

They say if the massive stockpile of vacant jobs on personnel agency files is any indication, all the signs point to an over-supply of positions right across the spectrum, from the factory floor to middle and senior executive ranks.

Key People Management's John Lupton says biggest labour shortages are in the skilled ranks of management and technology.

"But even lower-grade jobs are going begging. Offers of high-paying jobs in commerce and industry are going unanswered. One personnel consultancy specialising in the computer industry has 900 jobs on its books and few takers."

Drake Personnel area manager Renette Marsh says there are shortages of people to fill jobs in specific areas of industry.

"The situation is paradoxical. Employers are expecting too much. They expect the cream of the crop but are

unable to fill positions in insurance, computers, some sectors of shipping and word-processing.

P-E Corporate Service appointment division manager Michael Lane says there is evidence of firms unable to fill jobs even from within.

"Immigration figures are starting to bite. While we only deal with senior executive placement we find companies constantly looking for the right people with the right skills."

Drake Executive CE Francois Marais does not see immigration as the root cause.

"But there are shortages of data-processing managers, accountants and engineers. In engineering the main sectors where gaps are seen are electronic, mechanical and electrical engineering."

Key's Lupton adds: "Where has all the labour gone? There's something very wrong in the employment market. In a high-inflation environment where companies are failing and retrenching every day, you would expect to see mile-long queues for jobs. There ought to be — but there aren't."

CSO: 3400/661
/9317

SHORT-TERM RELIEF FOR UNEMPLOYMENT NOT ENOUGH

Cape Town GRASSROOTS in English Dec 86 p 4

[Text]

FOOD parcels and handouts will not solve the unemployment crisis, the Advice Office Forum has said.

The AOF said food parcels may provide short-term relief, but much more needed to be done to solve the crisis.

They were responding to the way big business and individuals have tried to deal with the crisis by collecting money and food for the unemployed.

"The newspapers have been flooded with promises of food parcels, but only a few will get parcels. What good is this if thousands of people remain hungry and starving?

"Suddenly the 'concerned rich' are telling us that they are worried about the suffering and poverty unemployment brings. But this is strange because they are the same people who are responsible for causing unemployment.

"Bosses will always think first of their profits and then of the workers' problems.

"They let people work overtime rather than employ more people.

"They bring in computers and new machines and then they retrench workers.

"They apply job discrimination policies that give jobs to whites while many blacks are out of work.

"Bosses refuse to pay workers a living wage so that they can pay their rent, electricity accounts and buy food. Workers are afraid of asking for more money for fear of being fired.

"We say to big business like Ackerman, you do not fool us with your handouts. Food parcels can only help a few families for a few days.

"Handouts are not jobs. If you are really worried about unemployment you need to look at the causes of unemployment."

The AOF said unemployed people who

were desperate for food parcels often had to suffer humiliation and loss of dignity.

"Often people go to relief points, only to be turned back because there are not enough parcels.

"At some points people have to queue up after they were given numbers. Often they get told to keep quiet by young relief workers who threaten to withdraw their food parcels."

"There are certain things which can be done to start addressing the unemployment crisis.

"Employers must ban overtime and provide more jobs at a living wage.

"Companies must make a concerted effort to create more jobs and not retrench people, even if it means a slight drop in profits.

"The totally inadequate Unemployment Insurance Fund should be revised to allow better benefits for people who lose their jobs," the AOF said.

Mayor Must Keep His Word

THREE Manenberg women catecrashed a pensioner's lunch party to confront Cape Town's mayor, Leon Markowitz, on rent arrears and evictions.

The women said they took this step after the mayor refused to attend a mass meeting of unemployed people recently.

They also confronted him on an unkept promise that unemployed people would not be evicted and lights would not be cut off.

The Advice Office Forum, an umbrella body of advice offices and crisis centres throughout the Western Cape, have been running a campaign around unemployment in the Western Cape.

They have demanded that unemployed people should not have to pay rent, rent arrears should

be scrapped and electricity should not be disconnected. They have also campaigned for more UIF benefits and for the creation of more jobs.

Surveys by the Forum have found a "silent rent boycott" in the Western Cape.

They have found more than 85 percent of Manenberg's residents are in arrears with their rent and electricity. They have found some people owe up to R600 in rent.

The AOF has put pressure on the Cape Town City Council and the Cape Divisional Council to make special arrangements for unemployed people who cannot pay their rents.

In response to their demands, Mayor Markowitz has said no unemployed people would be evicted or have their electricity disconnected.

But, AOF workers say the evictions and disconnections continue.

The mayor must keep his word and not make empty promises. Every day we still receive calls from people who have been evicted. This is why we invited him to attend the meeting of unemployed so he could explain to them personally, said an AOF worker.

He said at least 30 families were living on a rubbish dump in Atlantis after they lost their houses.

The Divisional Council was especially strict when it came to the payment of rent, the AOF worker said.

They really put pressure on people to pay their rents even if people have no money left for food.

Jobless Want Rights

ABOUT 300 people attended a meeting in Hanover Park recently to discuss the problems of the unemployed.

The meeting was called by the Advice Office Forum after a two-week focus on unemployment.

The Mayor of Cape Town, Leon Markowitz, was invited but did not attend. Representatives of the Cape Divisional Council, led by Dennis Lambert (head of Divco's housing department), was challenged on his council's policies on rent and electricity arrears.

The meeting called on the Mayor to meet soon with representatives of unemployed people.

Speakers at the meeting said the unemployed were not asking for handouts. They were demanding their rights in the country of their birth and

the right to vote for a government of their choice.

The solution to the unemployment crisis was a political one and the government should look at the causes of unemployment, speakers said.

One speaker said South Africa was in a big mess because of the government's policies.

"We are going to tell them we have taken the suffering so far, and we will not take it any longer," she said.

A number of unemployed people spoke from the floor about their problems and hardships.

People raised problems with UIF grants, insensitive government officials and high rents.

An AOF spokesperson said it was hoped to call similar meetings in other areas in future to discuss further the problems of unemployed people.

U.S. COMPANY ANNOUNCES EXPANSION, NOT PULLOUT

Johannesburg THE SUNDAY STAR (Finance) in English 7 Dec 86 p 6

[Article by Chris Moerdyk]

[Text]

SWIMMING against the increasing tide of US disinvestment, one American company operating in South Africa, Harnischfeger SA, is determined that it will continue to stand up to pressure by increasing its spares inventory and boosting its manufacturing capacity.

A wholly owned subsidiary of its Milwaukee-based parent, Harnischfeger has publicly committed itself to protecting its South African customers from sanctions and disinvestment.

Commenting in the company's local newsletter, managing director Dick Drollinger says South African customers are concerned about how sanctions might impact on their ability to keep vital machinery operational.

"Harnischfeger SA has taken steps to keep mining shovels run-

ning at peak efficiency.

"The company has significantly increased its inventory of mining spares to about R18 million. South African companies with the capability to manufacture locally have been researched and identified as sources of parts previously imported from the US."

He adds that Harnischfeger will continue to expand its own manufacturing facilities. In addition to the acquisition of the Preston Anderson electrical repair facility, the company has also purchased a 5 500 sq m factory at Tulisa Park for the manufacturing of shovel parts.

Among other equipment installed at Tulisa Park is a specially designed, semi-automatic, submerged-arc welding machine with twin heads which provide two continuous welds.

/9274

CSO: 3400/644

ECONOMETRIX REVIEW SAYS LOSS FROM SANCTIONS WILL BE MINIMAL

Johannesburg THE SUNDAY STAR (Finance) in English 7 Dec 86 p 1

[Article by David Cumming]

[Text]

THE maximum South Africa stands to lose from existing forms of sanctions, even if they were extended to include European and Japanese trade embargoes, is a measly R4 million.

And, says the latest Econometrix review of the South African scene, the loss to the country in terms of foreign exchange would be wiped out by a gold-price rise of \$80 an ounce — a rise which has already been seen in the course of 1986. Current sanctions apply only to South African exports, since few countries appear willing to jeopardise their trade balances in the name of killing apartheid.

This means the fear that sanctions would include a ban on imports by South Africa are no longer relevant and the big impetus for import substitution, such as took place in Rhodesia, is not likely to materialise. However, embargoes on coal, iron and steel, certain agricultural products and textiles might cause unemployment in the industries concerned.

"It is also abundantly clear that the international community is picking on those goods which are in surplus in the international trading market. It is certainly not picking on essential minerals such as platinum and chromium and it is too scared to tamper with gold, because this would be tantamount to playing with fire in respect of the health of the international financial system," the review says.

While gold, platinum and diamonds are left out of any embargo package, they will continue to earn 70 percent of South Africa's foreign exchange. This means the country will be able to continue to import goods and services equivalent to that amount.

The report concludes that the impact of boycotts will not be as detrimental to South Africa's long-term future as moves to disinvest, or, more importantly, reluctance to invest.

The most important disinvestment threat is in technology, where South Africa may well suffer because of licencees' inability to afford the capital investment required for technological development. Lack of foreign loan capital will mean that South Africa, in paying for imports necessary to accommodate growth, will be more reliant than ever on its export earnings.

OPEN CBD TRADING BRINGS LITTLE CHANGE

Johannesburg BUSINESS DAY in English 5 Dec 86 p 3

[Article by Dianna Games]

[Text]

NINE months of all-race trading in Johannesburg's CBD has caused no significant change to property prices or occupancy rates.

But one spin-off has been the renting of office space for use as living space, in an attempt to circumvent the Group Areas Act.

Institute of Estate Agents executive director Stefan Swanepoel says while the institute supports legitimisation and creation of grey areas, it cannot support such practice while the Act remains on the statute books.

He says the recession has prevented the CBD's opening affecting CBD property prices significantly, but the dropping of the Act should have a significant effect.

CBD Association chairman Nigel Mandy says: "We never expected great movement, as the opening

just legitimised an existing situation."

It has meant traders who were previously hiding behind nominees have now come into the open.

But the recession and lack of capital have meant there has not been any major move by black businessmen into the CBD, he says.

There has been noticeable growth of the services industry in Johannesburg.

People with ability to sell — especially in the areas of public relations, advertising and industrial relations — have been the prime movers into the city.

Next year will bring an increasing number of black/white business partnerships, Mandy predicts.

/9274

CSO: 3400/642

INTEREST CHARGES FALL AS RESERVE BANK REDUCES BANK RATE

Johannesburg THE STAR in English 10 Dec 86 p 1

[Article by Michael Chester]

[Text]

The Christmas spending spree was given a series of new boosters today when the cost of credit and loans was slashed across the board — from home bonds to hire-purchase deals.

Earlier forecasts by the Association of Chambers of Commerce (Assocom) that Christmas retail sales may reach R7 200 million now looked securely on target, says Mr Ed Verburg, the association's chief statistician.

"We also expect a favourable impact on our business confidence index with these clear signals that consumer spending will be used as the main vehicle for economic recovery," he said.

Mr Chris Ball, managing director of Barclays National Bank, urged the private and public sectors to make a simultaneous assault on inflation and concentrate on finding ways to reduce prices.

The new wave of interest rates cuts was triggered last night when the Reserve Bank announced a reduction in the bank rate — the benchmark that influences all rates — from 10 percent to 9,5 percent.

Barclays immediately said it was slashing its home bond rate from 15 percent to 12,5 percent — in line with the rate set by Standard Bank —

with immediate effect for new loans, and from March 24 for existing bondholders.

The move chops monthly repayments from R1 281 to R1 091 on 25-year bonds of R100 000, and from R641 to R546 on R50 000 bonds.

Barclays also slashed its prime rate — the interest rate on the overdrafts of blue-chip customers — from 13,5 percent to 12 percent — the lowest since 1980 and half the 1984 level.

Prime rates

Standard and the French Bank followed by cutting their prime rates to 12,5 percent from the end of the month.

The overdraft rate cuts, in turn, will be the key to lowering a whole series of interest rates, from bank loans to HP and leasing deals.

Most, if not all, of the major building societies are expected to confirm cuts in their home bond rates.

But with cuts in interest rates on credit and loans there will be cuts in deposit rates.

Mr Gerhard de Kock, Governor of the Reserve

Bank, announced that building societies would reduce the rate on their tax-free shares from 9 percent to 7,5 percent.

Post Office savings rates will also come down.

Mr Ball sympathised with depositors who would be carrying the penalty of negative returns because of an inflation rate at almost 20 percent — "but the surplus money in the market makes it inevitable that the negative savings rate prevails".

The reductions in interest rate patterns was heralded by the business world as a crucial economic stimulant.

CSO: 3400/666
/9317

RESERVE BANK FIGURES ON CAPITAL INFLOW

Johannesburg BUSINESS DAY in English 8 Dec 86 pp 1, 2

[Article by Gerald Prosalendis]

[Text]

SA EXPERIENCED a net inflow of capital, not related to reserves, of R43m in the third quarter of this year, after an outflow of R1,614bn in the first quarter and R972m in the second, says the latest *Reserve Bank Bulletin*.

The bulletin says this was the result mainly of a reversal of the unfavourable leads and lags in foreign payments and receipts, and also a net inflow of R21m of long-term capital into public corporations.

The bulletin confirms SA's gross domestic product (GDP) grew at a seasonally-adjusted annual real rate of 4% in the third quarter and gross domestic expenditure at 26%.

"This unusually strong recovery, which calls to mind the broadly similar rates of increase in total real domestic spending in the cyclical upswing in the second half of 1983, was explained primarily by a substantial reversal of the drawing down of inventories that had been in evidence uninterruptedly from the first quarter of 1985."

It says the renewed build-up of inventories consisted partly of an accumulation of commercial and industrial stocks which may have been caused by a fear of international trade sanctions.

Positive inventory investment as a component of the aggregate increase in total domestic demand was supported by significant further improvement in real private consumption expenditure, notably on durable and semi-durable goods.

Since total real personal disposable income declined in the third quarter, the continued revival in real consumer demand also caused the personal-savings ratio to decline further to about 1,5%, from its recent high of 9% in the recessionary conditions of the fourth quarter of 1984.

Personal savings at a seasonally-adjusted annual rate amounted to R1 159 in the third quarter, down from R2 280 in the second and R3 043 in the first.

Other salient statistics released by the Reserve Bank include:

- The third-quarter, current-account surplus stood at an annual level of R5,4bn. A surplus for the year of more than R5bn can be expected;
- Measured over 12 months, the rate of increase in bank credit to the private sector slowed to 6,6% in September from 16% in December last year;
- The rate of increase in total bank credit contracted to 6,5% in September from 18% in December last year;
- A private consumption expenditure increase, at a an annual seasonally-adjusted rate, of 4,5% in the third quarter;
- The level of real fixed capital spending by public corporations in the third quarter was almost 40% lower than in the fourth quarter last year; and,
- The renewed inventory build-up caused the ratio of total real inventories to real GDP to rise by about 0,5% to 34% at the end of September.

CSO: 3400/661
/9317

BANK WARNS AGAINST GOVERNMENT GROWTH STIMULUS

Johannesburg BUSINESS DAY in English 11 Dec 86 p 3

[Article by Stephen Rogers]

[Text]

THE recovery is being constrained by the financial position of consumers. However, government should resist the temptation to stimulate demand growth as this would only fuel inflation, says the latest *Standard Bank Review*.

It says growth phases are usually initiated by improved export volumes and prices and then sustained by higher consumer spending, financed by rising incomes and bank credit. The initial growth phase has already taken place with two years of large current-account surpluses. But consumer ability to sustain this growth is in question.

Consumer indebtedness has fallen 18,5% in real terms since the first quarter of 1985. However, the level of debt has come off a high

base and, after an inflationary adjustment, outstanding debt is still higher than in 1983.

Furthermore, real wages have fallen since then, curtailing consumer ability to repay.

Another factor has been the increase in the personal tax burden, resulting in a decline in the trend of personal savings since mid-1983. The increase in direct personal taxes as a percentage of current income has almost doubled since 1980.

With low capacity utilisation, companies are unlikely to increase their levels of investment to stimulate the economy.

In the absence of stimulus from these sectors, the review warns against government taking up the mantle and creating demand through increased expenditure.

CSO: 3400/661
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GOVERNMENT BLAMED FOR SLUMP IN ENGINEERING

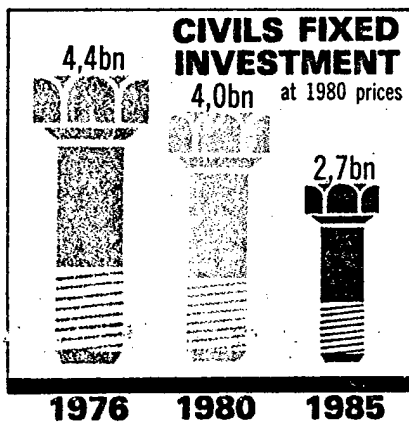
Johannesburg BUSINESS DAY in English 4 Dec 86 pp 1, 2

[Article by Mick Collins]

[Text]

FIXED investment in civil engineering has shrunk from a high of R4,4bn in 1976 to a meagre R2,7bn in 1985 — and much of the blame is being laid at government's door.

Speaking in Johannesburg yesterday, SA Federation of Civil Engineering Contractors (Safcec) vice-president Brian Hackney said government continued



building up construction units to the detriment of the industry.

"Even when the industry shrank, government departments kept their units intact, leaving us an ever-diminishing portion of the construction cake. This is borne out by the fact that in 1976 the civil engineering contracting industry employed 135 000 people. This was eroded to 120 000 by 1981, and by the end of 1985 the figure stood at about 90 000."

Desperate contractors, he said, were tendering for work merely to keep cash

flow going in the hope of picking up more profitable work in the near future.

"Add to this the problems of possible further political unrest, the implications of sanctions and the possible increased industrial unrest. We certainly have a precarious platform on which to build the future of the contracting industry."

With figures being expressed in constant 1980 prices, the average real growth rate for the sector from 1981 to 1985 was minus 8,7%.

But he said all was not gloom. Meaningful steps towards implementing the President's political reform policies would give the lagging industry a boost by encouraging private-sector investment.

Safcec's past president Con Roux said it was high time private enterprise played a greater part in SA's economy.

Calling for a speed-up in privatisation, Roux said SA had reached the stage of its development that demanded changes — and an accompanying decrease in public-sector participation in the economy.

"Work undertaken by public-sector bodies represents the ultimate in monopolies, since the elements of profit and fair competition are entirely absent.

"It is also evident that the accountability of individuals in the public sector should be increased."

Safcec president Ron McLennan said research had shown future housing needs would be equivalent to six or seven Sowetos before the turn of the century.

"We must, therefore, construct water supply systems, sewerage systems, road access, electrification and mass transport systems. This in itself is a major undertaking."

DEMAND FOR NATION'S COAL CONTINUES DESPITE SANCTIONS

Johannesburg THE STAR (Business) in English 10 Dec 86 p 12

[Article by Neil Behrmann]

[Text]

LONDON — Aggressive sales by South African mining companies have kept international steam coal prices depressed.

But analysts such as Phil Rogers, head of research at Simpson Spence and Young shipbrokers contend that the volume of world coal trade is surging and it is only a matter of time before the depression in the market ends.

The total volume of international coal trade is higher, says Mr Rogers.

"In their pessimism about prices, the industry tends to forget about the level of trade," he says.

Even though the Common Market has decided against sanctions, the South African coal mining industry continues to undercut Australian, United States and Canadian producers, says Bill Fischer a coal consultant to Robertson International. They are wary of a change in future political policies and are worried that they could lose future market share.

Two South African coal suppliers, British Petroleum and Gencor sold coal to Enel, the Italian power company at prices below \$27 — inclusive of freight and insurance charges — says the *Financial Times* international coal report, a newsletter.

South African prices "Free on board" — exclusive of freight

and insurance — have traded near \$20 a ton estimates the report.

The slump pulled down free on-board (fob) Australian prices to around \$23 a ton.

Greater impact

The South African factor has had a greater impact on the market than the decline in alternative energy costs.

So much so that the overhang from South Africa caused prices in Rotterdam to fall by around a quarter over the past year.

Before the EEC decided against coal sanctions the market thought that a short slump would be followed by a recovery. South African mines would be forced to dump stocks, but would then have to withdraw from the market leaving producers such as Australia, Canada and the United States a window to gain market share.

But so far this year only Denmark, France and the United States joined Scandinavian nations in banning South African coal.

Even though statistics showed that South African coal exports fell 18 percent in September, anti-South African purchasing policies have so far hardly affected annual sales. Mr Rogers estimates that total South African exports in 1986 fell to only 42,5 million tons from 44 million tons last year.

"South Africa's best defence is reliability of supplies, consistent quality and aggressive marketing, says the *Financial Times* international coal report.

The buyers market has been abetted by growing supplies from Colombia and China.

Mr Fischer of Robertson Research contends that the coal market will revive in the 1990s because supply and demand will come into balance.

Daniel Roling, an analyst of Merrill Lynch believes that a price recovery could be earlier. World coal production slowed by 7,3 percent in the 12 months to July this year, he says. The sharpest fall was experienced in Canada.

Mr Roling believes that demand will pick up next year as industry raises inventories ahead of 1988 United States coal industry labour negotiations.

A study by Professor Don Barnett of Macquarie University in Australia and ocean shipping consultants in the UK estimates that South African costs on a free on board basis range from \$14 for open mine output to \$21 on an fob basis. South African mines have been helped by the collapse of the rand.

Freight charges to Europe are much lower for South Africa. The mines' total costs including shipping to Amsterdam, Rotterdam and Antwerp range between \$21 to \$28,5 a ton.

The fob costs of Colombian coal, however are a high \$50 and are \$41 for United States mines.

Australian costs, free on board (fob) range between \$22 for Queensland opencast mines to around \$31 for New South Wales mines. Including delivery overheads to Rotterdam the total cost ranges between \$34 to \$43. Sales prices of this coal are well below cost of production.

"Only South African and Queensland producers are operating profitably on a fob basis," says International Coal report.

"But even Queensland coal — for the combined mining and shipping operation — is arriving in Europe at a loss.

"Results throw into doubt the future operating feasibility of both underground and open cast mines in New South Wales. "There is even a greater question mark overhanging the El Cerrejon coal mine in Colombia," the report says.

CSO: 3400/664
/9317

VAAL DAM UPGRADING RAISES CAPACITY

Johannesburg THE STAR in English 11 Dec 86 p 5

[Article by Shirley Woodgate]

[Text]

A R61-million facelift to the retaining wall of the Vaal Dam has increased its capacity by 400-million cubic metres from the beginning of this month.

According to Dr Paul Roberts, managing engineer of scientific services in the Water Affairs Department, structural improvements have been made to the wall itself, the height of the 60 gates above the wall has been increased, the hoisting mechanism has been replaced and new anchoring cables have been installed.

ABSORPTION

The upgrading had pushed the dam's 2 191-million cubic metre capacity up to 2 523-million cubic metres and had ensured greater flood absorption when the present eight-year drought was eventually broken, he said.

The increased capacity of the major dam serving the PWV area would not immediately improve the water situation in the area, but was designed as a long-term project to increase storage.

He said under normal conditions it was reasonable to expect the dam to be full every five years, but with the present drought the last time the Vaal Dam filled up was in the early eighties.

The present rains had made little difference to the level of the dams because the Vaal System had not yet recovered from effects of the prolonged drought.

"The amount of water in storage is about the same as this time last year and there is no chance of water restrictions being lifted," said Dr Roberts.

What was needed to get a lot of run-off into the dams were more intense rains over a period of at least a week in the catchment area.

The Vaal Dam's 38 000 sq km catchment area extends east to Ermelo and includes Bethal, Harrismith and Frankfort on the junction of the Vaal and Wilge rivers, and the Liebenbergs Vlei River which starts near Bethlehem.

Dr Roberts said the rate of pumping water from the Woodstock Dam into the Sterkfontein Dam had been almost doubled from 11 cu m to 20 cu m a second.

Despite this the level of the Sterkfontein remained fairly low. The purpose of the exercise was to try to balance out the water stored in the Tugela/Vaal System, he said.

CSO: 3400/661
/9317

SHIP OWNERS DECREASE SERVICE TO SOUTH AFRICAN MARKET

London AFRICA ECONOMIC DIGEST in English 8-14 Nov 86 p 23

[Text]

AT LEAST six large container and roll-on, roll-off (ro-ro) ships have been withdrawn from the Europe/South Africa trade in the past year, but none of the redundant tonnage has found its way into other African markets. A major shake-up of the US/South African market late last year also resulted in a loss of ships from the trade.

The major South Africa Europe Container Service (SAECS) pulled out three big container ships and two support ro-ros. Other tonnage is said to be slow-steaming or entered for early repair surveys. Another box-carrying ship is expected to go into lay-up.

In all, according to reports, the SAECS service will have been cut from nine ships of 2,450 20-foot equivalent units (TEUs), three smaller containerships, and four ro-ros in 1977 to just six large container vessels — five owned by South Africa's Safmarine — three Mediterranean ships and two ro-ros.

Service levels have sunk because of the decline and change in the pattern of trade to South Africa. The drop in the value of the rand prompted a sharp cutback of imports — traditionally the more expensive cargoes on the route, which thus generated the highest earnings in terms of freight. Although there was something of an export boom from South Africa this tended to consist of fruit and vegetables and other raw materials which, if not lowly rated cargoes, were controlled by marketing boards.

Owners in the SAECS service — which has for years complained of a totally inadequate return on capital — now say they have no further plans to cut services. Independent operators also say they will maintain current sailing schedules.

There is no doubt, however, that owners have turned their attention more to non-South African cargoes, even if this has not involved stepping up direct vessel

calls at other ports. A number of SAECS operators have said, for example, that they are looking for cargoes for countries like Zimbabwe which can be transported to and from their normal South African ports of call.

It is noticeable that none of the ships made redundant by the decline in trade to South Africa have been redeployed in the east African market, although one company, Mediterranean Shipping Company, expanded its South African operation some time ago to embrace east Africa to improve cargo flows.

There are a number of reasons for not transferring ships from South Africa into the east African market.

□ South Africa exports a high level of perishables. These need refrigerated container slots, making vessels more expensive. Having designed and built ships for a specific market, owners are reluctant to adapt except as a last resort.

□ Because South Africa's ports were adapted to containerisation earlier, the ships supplying the market are bigger and more dependent on sophisticated handling equipment than is available at most east African gateways.

□ Liner shipping requires an expensive and highly developed land-side support. Having invested to build up such a system in South Africa most owners would hope to recoup their investment — even if this means trading through a very rough patch — rather than lessen their involvement in a market and wave goodbye to thousands of pounds of development.

One of the hallmarks of the South African market is that the ships in the trade are largely owned by the companies operating them, whereas in east Africa there is a far higher proportion of chartered tonnage which allows shipping lines to trade up the size and sophistication of ship as the port, infrastructure and traffic improve.

SOUTH AFRICA

BRIEFS

VOLKSKAS: GOLD 'CENTRAL TO GROWTH'--Any hope of real economic recovery in the new year will depend largely on gold averaging about \$450 for the next 12 months. Volkskas--in its Economic Spotlight--has drawn up two scenarios, one at an average gold price at \$400 and the other at \$450. The bank believes gold will be closer to the \$450 mark and thus predicts growth rate of almost 3 percent. A predicted balance-of-payments surplus on the current account of R6,3bn should drop to R5,4bn while the estimated exchange rate should be 38c. A lower gold price should increase inflationary pressure, with the CPI rising by an estimated 17,5 percent at the \$400-gold-price level. [Text] [Johannesburg BUSINESS DAY in English 11 Dec 86 p 3] /9317

OPERATION HUNGER FIGURES--Operation Hunger is feeding just over a million people and calls for aid are still flooding its offices, says executive director Mrs Ina Perlman. This figure fulfils the organisation's September prediction that it would be feeding one million within six months. Mrs Perlman said that feeding figures for 1987 were an "imponderable." Operation Hunger's budget for the 1987 financial year was a conservative R12 million. By May, the organisation hoped to be able to phase out feeding schemes in rural areas where rain had fallen and crops had been reaped. But there were still enormous demands from rural areas where the drought prevailed and from urban areas hit by increasing unemployment. "We are trying to introduce self-help schemes in urban areas but reducing the demand there depends entirely on an upturn in the economy. "For example, in Port Elizabeth, where Operation Hunger feeds 160 000 people, we hope to introduce 30 self-help schemes in January," she said. Operation Hunger spokesman Miss Anne Scott said the organisation had raised R10 million of its R12 million budget. Twenty percent of the budget was raised by the "Gold Rush." It was estimated that R850 000 would be spent on feeding schemes each month and six percent of the budget was allocated for administration. The remainder would be used to finance self-help schemes and water reclamation projects. [Text] [Johannesburg THE STAR in English 9 Dec 86 p 3] /9317

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